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Algeria	6.00	Den	15.20	Norway	8.00	NZ	1.00
Argentina	19.5	Egypt	13.00	Peru	0.70	Bas	0.80
Bahamas	0.60	Fin	4.00	Portugal	0.80	Bas	0.80
Belgium	40.00	France	16.00	Spain	0.70	Bas	0.80
Canada	25.10	Germany	5.00	Sweden	0.80	Bas	0.80
Ceylon	0.00	Italy	0.00	Switzerland	0.80	Bas	0.80
Dominican	7.00	Japan	0.00	Taiwan	0.80	Bas	0.80
Egypt	13.00	Lebanon	0.00	Tanzania	0.80	Bas	0.80
Finland	4.00	Luxembourg	0.00	Tunisia	0.80	Bas	0.80
France	16.00	Netherlands	0.00	Turkey	0.80	Bas	0.80
Germany	5.00	Norway	8.00	U.S.	0.80	Bas	0.80
Greece	0.80	Portugal	0.80	U.S. (S&P)	0.80	Bas	0.80
Hong Kong	0.00	Spain	0.70	U.S. (Treasury)	0.80	Bas	0.80
India	1.00	Sweden	0.80	U.S. (Treasury)	0.80	Bas	0.80
Indonesia	0.80	Switzerland	0.80	U.S. (Treasury)	0.80	Bas	0.80
Iran	1.00	Taiwan	0.80	U.S. (Treasury)	0.80	Bas	0.80
Italy	0.00	Tanzania	0.80	U.S. (Treasury)	0.80	Bas	0.80
Japan	0.00	Tunisia	0.80	U.S. (Treasury)	0.80	Bas	0.80
Lebanon	0.00	Turkey	0.80	U.S. (Treasury)	0.80	Bas	0.80
Luxembourg	0.00	U.S.	0.80	U.S. (Treasury)	0.80	Bas	0.80
Netherlands	0.00	U.S. (S&P)	0.80	U.S. (Treasury)	0.80	Bas	0.80
Norway	8.00	U.S. (Treasury)	0.80	U.S. (Treasury)	0.80	Bas	0.80
Portugal	0.80	U.S. (Treasury)	0.80	U.S. (Treasury)	0.80	Bas	0.80
Spain	0.70	U.S. (Treasury)	0.80	U.S. (Treasury)	0.80	Bas	0.80
Sweden	0.80	U.S. (Treasury)	0.80	U.S. (Treasury)	0.80	Bas	0.80
Switzerland	0.80	U.S. (Treasury)	0.80	U.S. (Treasury)	0.80	Bas	0.80
Taiwan	0.80	U.S. (Treasury)	0.80	U.S. (Treasury)	0.80	Bas	0.80
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ESTABLISHED 1887

Ilies Grow Warier of Greek Policy on Security and Terror

By John Vinocur
New York Times Service
PARIS — In the three years since Andreas Papandreu became prime minister of Greece, the West has developed a wary attitude toward Greece's often antagonistic role on security matters and terrorist policies.

The continuing assumption, however, is that Greek concern about Turkey is real, even if it is not entirely propaganda, that Greece considers the Turks a greater problem than the Soviets. Most of Europe also believes that Greece understands its interests as best represented through being part of the West, and that this factor will predominate, regardless of what Mr. Papandreu may say.

The Greek prime minister, who in the past has referred favorably to the Soviet Union as a force for peace, recently described the United States as "the expansionist Mecca of imperialism."

At NATO meetings, the Greeks have become known as "the asterisks," because they ask for footnotes in communiqués dissociating them from criticism of the Soviet Union on such issues as Poland, Afghanistan, the military buildup, development of medium-range missiles and human rights.

This year, Greece sought to veto NATO's approval of Turkish plans for developing its armed forces that included procurement of modernized missiles for use against shipping. The attempt was described as

one of the factors behind a French effort to reinvigorate the Western European Union, the European of the Atlantic alliance, was Greece was not a member of organization and could not play a positive role.

Officials said that Greece's refusal to criticize some Soviet actions, such as the downing of a Korean airliner last September, had compromised hopes for early entry into the EC.

But West German officials still expected the United States to complain during Mr. Wörner's four-day visit to Washington that its share in West German defense expenditures is too large. Bonn has budgeted 49.2 billion Deutsche marks in 1985, less than 1 percent in real terms above this year's military budget.

The United States has called on all 16 members of the North Atlantic Treaty Organization to conform to their pledges to increase their

conventional forces. The Rolands would protect bases against low-flying planes. Officials in Bonn said the agreement highlighted West Germany's willingness to strengthen its conventional forces.

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Bonn Says It's Buying U.S. Missile \$2.5-Billion Deal For NATO Arms

The Associated Press
BONN — West Germany has agreed to spend 7 billion Deutsche marks (\$2.5 billion) over the next decade for a new generation of anti-aircraft missiles to strengthen NATO air defenses, the Defense Ministry said Tuesday.

The agreement, which involves both U.S. Patriot and European Roland missiles, is expected to be signed by Defense Minister Manfred Wörner and the U.S. defense secretary, Caspar W. Weinberger, on Thursday in Washington, a spokesman said.

Under the agreement, Bonn will buy and deploy Patriot missiles for the first time. Twelve will probably be stationed near West Germany's borders with Warsaw Pact nations.

The American military will deploy an additional 12 Patriots at U.S. bases in southern West Germany, which Bonn will maintain.

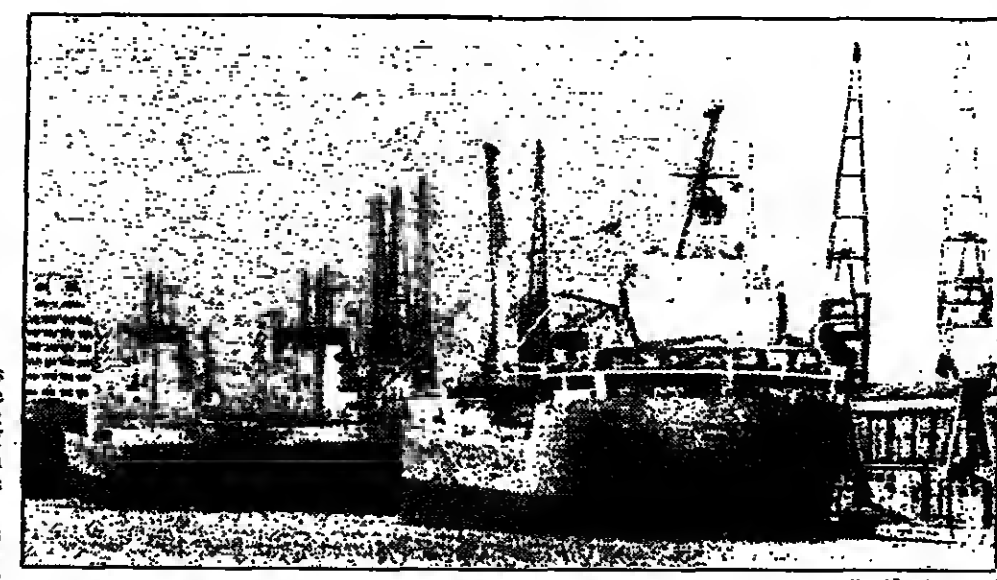
West Germany will also deploy 87 French-West German Roland missiles — 27 around U.S. bases in the Eifel and Hunsrück areas and 60 around West German airports that could be used by American forces in an emergency.

The Patriots are equipped with a conventional warhead and can strike airplanes at medium and high altitudes. They are intended to replace outdated Nike missiles.

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Ships and cranes idled Tuesday in London after British dockworkers went on strike.

Shultz Says 'Stone Wall' From Hanoi Blocks Talks on Diplomatic Relations

By Bernard Gwertzman
New York Times Service
SINGAPORE — Secretary of State George P. Shultz said Tuesday that all efforts by the United States to hold reasonable negotiations with Vietnam on establishing diplomatic relations have run into a stone wall put up by Hanoi.

At a press conference after talks with Prime Minister Lee Kuan Yew of Singapore, Mr. Shultz was asked about the possibility of normalizing relations with Vietnam. He said that two major problems had virtually ruled out any such prospect.

The first, he said, was Hanoi's unwillingness to provide information on the 2,500 Americans still unaccounted for in the Vietnam War, leading to speculation that some servicemen might still be alive. But Mr. Shultz emphasized that there was no evidence that any American prisoners of war were actually alive. He said, however, that when so many people are unaccounted for, there is always the possibility that someone is alive.

The other problem, he said, was continued Vietnamese aggression in Cambodia, where about 160,000 Vietnamese troops are in control. Mr. Shultz said that there had been some progress in the past year on returning the remains of some U.S. dead. But, he added, "I'm afraid that the prospect of normalization is so far away it is really fruitless to speculate about it."

"So far as I can see," he continued, "efforts to bring about any kind of reasonable negotiations on the subject have run into a stone

wall from Vietnam and so I think that any thought of normalization with the United States is just miles away."

Mr. Shultz is to go to Jakarta on Wednesday to take part in the annual meeting of the Association of Southeast Asian Nations, where the topic of improving U.S.-China relations is likely to be discussed at length. He heard serious expressions of concern in Kuala Lumpur on Monday from Malaysian officials who fear Chinese efforts to dominate the area. Mr. Shultz is likely to hear the same kind of concern from Indonesians.

The secretary of state, who has a tendency to become testy when irritated by a line of questioning, was clearly irked at press conferences in Singapore and, earlier in the day, in Kuala Lumpur, when China was raised.

"I don't know how to allay fears people have," Mr. Shultz said. "People had fears in the past that we didn't have a constructive relationship with China and now they fear that we do."

But, he added, "I think that the basic point is that China is an important country in Asia and in the world generally. We think that a constructive relationship between the United States and China leads to stability to the region and out the other way around."

Mr. Shultz also indicated that the United States would tell the other ASEAN members that it was not very interested in a Pacific basin economic community being discussed by some nations to balance the European Community.

Mr. Shultz, who was shown a copy of the letter, apparently postmarked in Prince Georges County, Maryland, a Washington suburb, said Tuesday that it was difficult to believe it was sent by the organization.

"It almost makes you wonder," he said, "if it isn't a disinformation campaign of some sort."

The term "disinformation" is used almost exclusively by U.S. officials to describe fake documents distributed covertly by the Soviet Union or Soviet bloc intelligence agencies to embarrass the United States and other Western countries.

But when asked if he was accusing the Soviet Union of being responsible for the threats, he declined to say any more.

Prime Minister Margaret Thatcher, on Tuesday accused the Labor Party of supporting industrial anarchy, amid an outcry from the parliamentary opposition for her government to abandon its confrontational policies with the unions and settle the strikes.

Mrs. Thatcher said the opposition is "supporting strikes supporting the miners who are on

strike against those who are at work and supporting those who are hoping to bring about industrial anarchy as a means of getting round democracy."

A 10-week dock strike in 1972 cut exports by more than a third, and the Conservative government of Edward Heath declared a national emergency.

The National Union of Mineworkers began its strike March 12 to protest the state-run National Coal Board's plan to close 20 unprofitable pits. The closures would eliminate 20,000 jobs.

The dock strike is expected to win strong support among the 13,700 dockers registered under the 1947 National Dock Labor Scheme, but port employers speculated that support might be less forthcoming among the 21,300 other dockworkers who also belong to the union but are not registered.

Dock Workers, Backing Miners, Shut U.K. Ports

Compiled by Staff from Dispatches
LONDON — Britain's main ports were shut Tuesday as dockworkers began a nationwide strike, their first in 12 years, in a dispute linked to the 17-week-old walkout by coal miners.

The ports at London, Liverpool, Manchester, Southampton, Bristol, Cardiff, Glasgow and most of the country's smaller ports were at a standstill after leaders of the Transport and General Workers' Union ordered the union's 35,000 longshoremen off the docks.

Nicholas Finney, director of the National Association of Port Employers, said: "It looks as if dockers at the main ports are all out."

The Financial Times, the country's main business daily, said that "if the strike is solid, shortages of raw materials could be expected to develop rapidly."

Authorities at the Channel ports of Dover and Folkestone reported that the crowded passenger and vehicle ferries were running normally.

The employers and the Transport and General Workers' Union, which represents the dock workers, agreed to discuss the cause of the strike, which was the use of unregistered labor to move iron ore bound for a steel plant picketed by striking coal miners. Eighty percent of Britain's 180,000 coal miners have been on strike for 17 weeks over plans to close some pits, and no settlement is in sight.

Outside contractors had been hired at the port of Immingham, in eastern England, to handle shipments of iron ore for the British Steel plant at nearby Scunthorpe. In support of the striking miners, Immingham dockworkers had refused to handle the shipments.

The miners are trying to halt steel production in Britain by blocking iron ore and coal supplies to Scunthorpe and the nation's three other main steel plants. More than 80 percent of Britain's overseas steel trade goes through its docks.

Prime Minister Margaret Thatcher, on Tuesday accused the Labor Party of supporting industrial anarchy, amid an outcry from the parliamentary opposition for her government to abandon its confrontational policies with the unions and settle the strikes.

Meanwhile, Ian MacGregor, chairman of National Coal Board, and Arthur Scargill, the leader of the National Union of Mineworkers, met Monday at a hotel near Edinburgh. Both said progress had been made in discussing the coal strike, and talks are to be resumed next week.

In three Yorkshire mining villages Monday night mobs attacked a police station and caused more than £100,000 (\$130,000) in damage at a pit where they set fire to three vehicles. Five persons were injured and five police vehicles damaged. Eight persons were arrested.

At the Rossington mine, police escorted coal board managers and maintenance staff out of a pit where they had been under siege for 11 hours.

As the police vans left, pickets bombarded them with bottles, bricks and other missiles.

(AP, Reuters)

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Shamir Says He Would Try Coalition with Labor

By Thomas L. Friedman
New York Times Service
JERUSALEM — Prime Minister Yitzhak Shamir said Monday that if his Likud Party won the July 23 elections, he would try to form a national unity government with the opposition Labor Party in order to deal with Israel's mounting economic problems.

Mr. Shamir's remarks appeared to be his most explicit public indication that, if reelected, he would try to bring the Labor Party into a national unity Cabinet to undertake what Israel's economy will be far-reaching wage, price and tax reforms needed to tame their 400 percent inflation rate.

In an interview, Mr. Shamir also said that his government no longer accepted the old negotiating formula of trading land for peace with the Arabs and that as long as he was in power, Israel would overhalt the building of settlements on the West Bank.

"We will build without any pause," said the 68-year-old Mr. Shamir, when asked if he would agree with the Labor Party proposal that no more Jewish settlements be built near densely populated Arab areas. "We will not stop it. We have to build. It is our mission in this land. We have to have more cities, more centers of population."

Concerning his past efforts to form a national unity government should the Likud Party win the elections, Mr. Shamir said he had proposed it to the Labor Party "mainly because of our economic difficulties. I think it is a reasonable way for the country. I think we have to try to achieve such a government. I will try this formula."

The pressure to form a national unity government in an effort to deal with Israel's deteriorating economy has been growing since 1981, when Mr. Shamir first took part in negotiations with Labor Party officials on the subject. And the idea of a Likud-Labor Cabinet has gained even wider popular appeal in recent months.

According to the Israeli pollster Rafi Smith, many voters have become convinced that only a bipartisan cabinet can undertake the stringent reforms and reductions in standards of living required to bring Israel's economy under control.

Whether the Labor Party leader, Shimon Peres, would agree to take part in such a government under Mr. Shamir will depend on how many seats he wins in the coming election and what kind of joint platform could be hammered out between the two parties.

In a recent interview, Mr. Peres refused to rule out participation in a national unity government — provided it was based on the Labor Party platform.

Mr. Shamir did not indicate whether he would be prepared to serve in a Cabinet under Mr. Peres, should Likud lose the elections, but his remarks left the impression that he would likely be open to such an idea — if the two parties could agree on key issues and on who would hold the top portfolios.

Mr. Shamir appeared relaxed and confident about the election.

(Continued on Page 2, Col. 4)

Wants Maarach." Maarach is the Labor Alignment, which includes the Labor Party and the Socialist Mapam Party.

Beneath the Arafat picture was the caption: "Hussein, Elias Frej, Abu Iyad, Kriksy." They were Maarach too. The references were to King Hussein of Jordan, Mayor Frej of the Arab town of Bethlehem, Abu Iyad, another PLO leader, and former Chancellor Bruno Kreisky of Austria, who has expressed sympathy for the Palestinians.

"It's divisive," said Yaro Ezzahi, a political science professor at the Hebrew University, "and it's dividing the people between those who are 'national' and 'committed' and those who are not. It's not even an election gimmick. It is very consistent with the entire attitude they have had toward

polity."

Mr. Ezzahi continued: "They are building their entire conception of foreign policy and national priorities on the notion that we are here to engage in a war of survival. We are in a war of survival against enemies. You don't trust the enemy, and anyone who trusts the enemy is at best an innocent, naive man and at worst a traitor."

"It is extreme," Ehud Olmert, a Likud member of the Knesset, or parliament, conceded. But he argued that the tactics were necessary to counter Labor's effort to ignore the differences of opinion over the future of the occupied West Bank. Likud, led by Prime Minister Yitzhak Shamir, regards the territory, with its 750,000 Palestinian Arabs, as integral to Israel; the Labor Party, led by Shimon Peres, advocates relinquishing some of it in exchange for peace. Labor is not emphasizing this conciliatory position during the campaign.

"I don't think anyone has to understand these ads as a way of saying the Labor Party is cooperating in some way with Israel's enemies," Mr. Olmert said. "They are patriots as we are. But their positions are more acceptable to the enemies of Israel than ours are."

Polls show that there is more extremism in Israel these days and more apprehension over its potential. In an expression of the growing concern, the elections commission, composed of representatives of established parties, tried to



RUNNING OF THE BULLS — A U.S. Army paratrooper stationed in Italy, Stephen Townsend, was badly gored during the San Fermín fiesta in Pamplona, Spain. The 22-year-old soldier, from Nashville, Tennessee, was reported in stable condition at the Navarre hospital. He was pored from the knee to the middle of the thigh. Doctors said he needed blood transfusions, and that he could not be moved before Wednesday.

Modern Israel, at 36, Struggles With a National Identity Crisis

The author of the following article recently completed a five-assignment as bureau chief of The New York Times in Israel.

By David K. Shipler
New York Times Service
JERUSALEM — Modern Israel, now 36 years old, is emerging from the generation of its founding into the generation of its maturity without having resolved the most fundamental questions faced since its creation.

Essence, they are the issues of what kind of a society this is: religious or secular, nationalistic or humanistic, Jewish or Middle Eastern, absolutist or pluralistic. The gulf between these diverse qualities are intense; they are defining the nature of democracy and Judaism, the two elements of Israel's fate.

Some social thinkers believe that clear resolution of the issues is impossible and perhaps not even desirable because the varied impact of Jews from throughout the world has remained intact partly through the society's age.

In the last five years have tested Israel's sense of itself in place in the world, forcing ruthless self-examination. It signed a peace treaty with Israel, bolstering false hopes that the Middle East was on a new path. Israel gave up its militant Jewish nationalists on the occupied West Bank and its largely hostile Arab population.

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Gandhi, Opponents Appear to Open Pre-Campaign Struggle for Influence

By William K. Stevens

New York Times Service

NEW DELHI — It appears unlikely that India will hold a general election before late September, but events of the last month suggest the campaign has already begun.

Prime Minister Indira Gandhi appears to be trying to rebuild her former image as a strong, decisive leader. But her opponents are charging that she fashioned a high-handed coup to topple the state government in Kashmir and that she is ultimately responsible for

two years of separatist violence in neighboring Punjab in the north. (India blamed Sikhs living abroad for aiding the extremists in Punjab.)

Many politicians believe the off-

NEWS ANALYSIS

cial campaign will focus on what an editorial in the Times of India last week called "Mrs. Gandhi's culpability or otherwise" for the violent disruption in recent months, particularly in the north.

The five-year term of the present Parliament expires Jan. 20. It is widely assumed Mrs. Gandhi will order elections to the lower house to be held by then.

However, some officials and commentators argue that the new Parliament will not have to convene until six months after Jan. 20 and that Mrs. Gandhi will have until then to call the election.

Mrs. Gandhi has repeatedly said the elections will come "when they are due." This is most often interpreted to mean the balloting would take place in November or December. But Mrs. Gandhi could easily call it earlier if she saw advantages for her party.

It is considered highly unlikely that the election announcement will come before the last week of August. The five-week "monsoon session" of Parliament does not end until then, and members would not be free to campaign. The monsoon now under way also makes campaigning impractical. The voting would probably not come before late September or early October.

Meanwhile, the opposition has been assailing the government's recent actions with gusto. Last Wednesday, opposition leaders in New Delhi accused the Congress-I Party led by Mrs. Gandhi of having engineered last week's downfall of the Kashmir government of Farooq Abdullah and putting a "puppet government" in its place.

The Gandhi government had for some months been accusing Mr. Abdullah of giving aid and support to Pakistani sympathizers in Kashmir and with allowing training camps for Sikh terrorists from Punjab to operate.

There has also been a political animus between Mr. Abdullah and the Gandhi camp ever since the two groups failed to cement a political alliance before the May 1982 state elections in Kashmir. Mr. Abdullah and his National Conference Party went their own way and soundly beat the Congress-I Party.

As a result, the Gandhi camp had apparently been seeking for some time to remove Mr. Abdullah. An opportunity arose when a faction within the National Conference Party broke away and expelled Mr. Abdullah. The party retaliated by expelling the leader of the rival faction, Ghulam Mohammed Shah, Mr. Abdullah's brother-in-law.

On July 2, 12 members of the National Conference Party who had supported Mr. Abdullah defected to the Shah faction, depriving him of a majority in the state assembly. At that point Mr. Shah was named the new state leader by the governor of the state, Jagmohan, who was recently appointed by the Gandhi government.

It was considered likely that the Congress-I Party would join with the 13 defectors to give Mr. Shah a majority. The Congress Party would not formally rule Kashmir, but it would control the Shah government and could demand election support.

The Congress Party in recent months has also been accused of trying to topple the opposition Janata Party government in the southern state of Karnataka by buying the defections of legislators. There is a widespread assumption that whether the defectors Kashmiri legislators were paid or not, the Congress Party engineered their defections.

Opponents have characterized the Shah regime as a puppet installed through dubious methods in violation of democratic norms.

The Statesman, an important national newspaper, called the action "a coup" and said that, along with other recent actions by Mrs. Gandhi, suggested that "after a long period of dithering, she has decided on firm action as the only means to refurbish her government's image."



PRESIDENTIAL CHAT — Three West German presidents met at a reception on the 65th birthday of former President Walter Scheel, right. From left are former President Karl Carstens, President Richard von Weizsäcker and Mr. Scheel's wife, Mildred.

U.S. Envoy to Meet With Papandreou In Bid to Ease Tensions Over Criticism

New York Times Service

ATHENS — The Greek and U.S. governments moved Tuesday toward easing the tension that followed recent U.S. criticism of the Socialist government's foreign policies. U.S. diplomats and Greek government sources said.

A meeting is scheduled for Wednesday between Prime Minister Andreas Papandreou of Greece and the U.S. ambassador, Montague Stearns, U.S. diplomatic sources said. They added that the main outstanding issue is a strike by Greek employees at the American bases.

The Greek government spokesman, Dimitrios Maroudas, who on Monday had threatened a revision of U.S.-Greek relations and even the status of the American bases should Washington's criticism continue, said Tuesday at a briefing for foreign correspondents that he would not be making any further comment on the issue.

Greece was criticized last month by Richard R. Burt, the U.S. assistant secretary of state for European affairs, who told the Senate Foreign Relations Committee that cooperation with the Greek government was becoming increasingly difficult because of its pro-Soviet policies.

The U.S. State Department also has accused Athens of being unwilling to combat terrorism after a

Jordanian suspected of plotting an attack was allowed to leave Greece.

The Greek parliamentary opposition, which had been strongly critical of the government's foreign policies and apparent provocation of the United States, also announced that it was willing to offer its services "to help restore Greece's traditional friendship with the United States."

VOA Stations Threatened

Greek officials have warned that Greece may close two Voice of America relay stations that broadcast programs to the Middle East and Southeast Asia if the United States persists in blocking the purchase of used U.S. fighter aircraft. The Washington Post reported from Athens.

The Greek officials were reacting to reports that Washington has vetoed a sale of second-hand F-5 aircraft from Norway to Greece, and that the planes might be sold to Turkey instead.

"Smooth Greek-American relations, which include the presence of the U.S. bases and the VOA stations, depend on the preservation of the balance of power in the Aegean," a Greek government spokesman said Monday.

In Washington, U.S. officials said the expected decision to block transfer of the F-5s is a "limited

and carefully calibrated" gesture to demonstrate disapproval of the Greek government's failure last month to take action against the suspected Jordanian terrorist.

However, the officials stressed, Washington also is making clear that, despite serious differences with Mr. Papandreou on specific issues, the United States wants to retain a long-range framework of friendship and cooperation with Greece.

The U.S. officials said that Greece is considering the purchase of U.S.-made F-16 or F-18 fighters, and Washington's action on the F-5s will not be applied to the more advanced aircraft if Greece decides to request them.

In the Reagan administration's judgment, the U.S. officials said, the Greeks are likely to protest the F-5 action and possibly make some symbolic retaliation. However, the officials continued, the Reagan administration believes that Mr. Papandreou realizes his overall interests lie with the West and NATO, and he is not expected to push the issue to a serious confrontation.

The issue over the sale of the F-5s has coincided with new strikes by Greek workers at U.S. bases in the country. U.S. officials hinted Monday that uncertainty resulting from the strikes may have set back a \$200-million project to update the base facilities.

Greek Policy Worries Allies

(Continued from Page 1)

the first time that one ally tried to stop a second from improving its forces. Greece was eventually ruled out of order, alliance sources said. Concern about Greece's attitudes has not meant its actual exclusion from any groups. Instead, there has been an increase in separate gatherings among allies who are comfortable with one another's positions.

An expert on NATO affairs said that the regular meetings of the alliance's intelligence committee, whose information comes largely from the United States, Britain and West Germany, has become less informative in view of Greece's presence.

Although the tendency was already present before the election of Mr. Papandreou's Socialist Party in 1981, an official said, much of NATO's serious business is now handled by the five leading members — the United States, France, West Germany, Britain and Italy. The official said he did not believe that issues of major importance were being discussed within the Nuclear Planning Group, an alliance committee to which Greece has access.

Under Mr. Papandreou, Greece has taken its distance from the deployment of the new medium-range missiles in Western Europe and has pressed for a nuclear-free zone in the Balkans, a proposal NATO regards as one that diverts attention from what it considers the Soviet arms buildup targeted on other members of the alliance.

West European officials said the pattern of avoiding the Greeks was also apparent in dealing with terrorism. Greece is not formally associated with the Club of Rome, a group of internal security chiefs from nine West European countries. Nor is Greece a member of a group known as the Council of Five, which brings together the anti-terrorist commands of France, Italy, Switzerland, Austria and West Germany.

3 U.S. Nuns Die in Crash

The Associated Press

PEVELEY, Missouri — Three elderly Roman Catholic nuns died Monday when a homemade trailer broke loose, swerved across the median of an interstate highway and struck their station wagon head-on, authorities said. All had belonged to the Sisters of St. Joseph religious order for more than 50 years.

For the Record

A group calling itself the Ulster Freedom Fighters said Tuesday it shot and killed a Catholic café owner in Belfast on Monday in retaliation for fire damage to a Protestant church in Londonderry. (Reuters)

Egypt said Tuesday that France has agreed in principle that Egypt can sell French-made, Egyptian-assembled arms to other countries. Diplomatic sources said some might be sold to Iraq, which already is buying Egyptian ammunition and spare parts. Egypt is France's chief arms client in the Middle East. (UPI)

Jochen Aehle, 31, a cellist with East Germany's Staatskapelle Berlin Orchestra, has defected in Japan and flown to West Germany, Japanese Foreign Ministry officials said Tuesday. He was the second cellist to defect during the orchestra's four-week tour of Japan. (AP)

Two West German F-104 Starfighters crashed Tuesday in separate mishaps, killing one woman on the ground and injuring two men, police said. Both pilots ejected safely; one was slightly injured. (AP)

President Babrak Karmal of Afghanistan has arrived in Moscow prior to Javier Pérez de Cuellar's visit Wednesday when the UN secretary-general will confer with Soviet leaders on finding an end to the war in Afghanistan. Mr. Karmal arrived Monday. Kabul radio said he had come for a medical checkup. (Reuters)

Bolivian athletes will participate in the Olympic Games in Los Angeles, a spokesman said in La Paz. President Hernán Siles Zuazo on Monday reversed an earlier decision and authorized a team of Bolivians to take part. (UPI)

Bonn to Buy U.S. Missiles

(Continued from Page 1)

defense budgets by a real, or inflation-adjusted, 3 percent annually.

Carrington Stresses Unity

The NATO secretary-general, Lord Carrington, in his first major policy statement, has added the maintenance of trans-Atlantic relations to the alliance's two long-standing goals of defense and East-West dialogue. Reuters reported on Tuesday from Brussels.

In an article in the NATO Review, Lord Carrington said: "We each of us have some responsibility for maintaining in good repair the many links between the United States and Europe."

"The Atlantic gap cannot be wished away, and understandable differences of perception will persist. But they must not be allowed to obscure the interests or undermine the objectives which we have in common," he wrote.

NATO officials said the statement reflected a deliberate emphasis on the need to bolster "West-West" relations, which have been strained by disagreements on defense spending, by differences in attitudes toward the Soviet Union and by a trans-Atlantic arms trade imbalance favoring the United States.

U.S., Indonesia Renew Pact

United Press International

WASHINGTON — The United States and Indonesia have renewed a 1978 agreement for cooperation in scientific research and technological development.

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WORLD BRIEF

Ship Reported Bombed

A British ship, the *Argo*, was reported to have been bombed in the Persian Gulf. The ship was carrying oil and was en route to the United Kingdom. The attack was attributed to Iranian forces.

Now Reportedly Being

The ship is now reportedly being towed to a safe haven. The British government has expressed its concern over the safety of the ship and its crew.

Is Calm: Airport Is

The airport is calm despite the recent events. The British government has assured the public that the situation is under control.



OTHERS' PROTEST — Argentine women whose relatives "disappeared" under country's former military government protest in front of the Roman Catholic cathedral in Buenos Aires, where President Raul Alfonsín and other officials attended independence Day ceremonies. The women, known as the Mothers of the Plaza de Mayo, have been demanding information on the missing for more than seven years.

Nicaragua Expels 10 Foreign Priests After Archbishop Leads Protest March

Managua — Nicaragua's government, in its latest confrontation with the Roman Catholic Church, has expelled 10 foreign priests accused of anti-government activity. The action was announced after a protest march led by Archbishop Obando y Bravo of Managua, in which a priest accused of aiding Sandinist rebels was killed.

The church has accused the government of being totalitarian and has called for a dialogue with the U.S.-supported rebels. The Interior Ministry identified the expelled priests as Francisco San Martin, Vicente Caudelli, Santiago Amador, and Francisco Castell, all of Spain; Benito Laplanche of Canada; Manuel Huerta and José Joaquín Montero of Costa Rica; Mario Fiamandri and Benito Petito of Italy; and Mario Madrid of Panama.

Archbishop Obando y Bravo led 27 priests and about 300 sympathizers in the short march from a suburban Managua church to the seminary where the Reverend Luis Amado Peña has been confined for two weeks pending a government investigation.

It was not clear whether any of the expelled priests had taken part in the protest march.

Long-Simmering Conflict — Earlier, *Day Williams of the Los Angeles Times* reported from Managua: The Sandinist move against the foreign priests represents an escalation of the conflict between church and state that has been simmering in Nicaragua for several months.

In a statement carried Monday by the official morning newspaper, the Interior Ministry warned that the authorities would hold the bishop Obando y Bravo "responsible for the consequences that issue from the policy he is carrying out."

Church-state relations have deteriorated since April, when the bishops suggested that the Sandinists get together for peace talks with the U.S.-backed Nicaraguan rebels. The government accused the bishops of being lackeys of the Reagan administration and the U.S. Central Intelligence Agency.

Since then, the Sandinist secret police came up with a videotape purportedly showing Father Peña, a priest from a poor Managua neighborhood, accepting explosives from a CIA operative turned Sandinist spy. The priest said he was framed and that the videotape was a forgery.

Interior Minister Tomás Borge Martínez said that Father Peña could face a revolutionary tribunal, but added that the government would be satisfied if he were relieved of his duties as a parish priest and assigned to work with the papal nuncio in Managua.

U.S., Russia To Modernize Hot Line Link

High-Speed Teletypes To Be Placed in Offices

By Walter Pincus
Washington Post Service

WASHINGTON — A Soviet delegation is scheduled to arrive here Wednesday to complete an agreement with the United States to modernize the so-called hot line communication links between the Kremlin and the White House, according to officials in both governments.

The technical negotiations, which began a year ago, got caught up in the general freezing of relations following deployment of U.S. missiles in Western Europe in December.

A Soviet source said last week that Moscow was ready to sign an agreement as long as it was not perceived as anything more than technical, not involving arms control. A State Department official said Monday, "we are not pressing for high visibility."

If agreement is reached this week, U.S. sources said, it would mark another sign that the two superpowers have begun to move ahead on some issues that had been stalled for the last six months.

In another area, a State Department spokesman, Alan Romberg, announced Monday that the United States recently submitted to the Soviet Union a draft agreement on cultural exchanges and that negotiations on the text would begin soon in Moscow.

The hot line system's slow teletype machines, which can transmit only 67 words a minute, have been used to head off misunderstandings in several past crises. They are now to be supplemented in both Washington and Moscow with new high-speed equipment that can send "pictures, graphics and a whole page of prepared text... in a second," a State Department official said.

The hot line was installed originally 21 years ago after the Cuban missile crisis to permit the two nations to communicate in times of danger and minimize likelihood of a nuclear attack because one side misjudged the other's intentions.

According to a study by the Rand Corp. last year, the hot line has been used during the 1967 Arab-Israeli war, the 1971 India-Pakistan war, the 1973 Arab-Israeli war, the 1974 Turkish invasion of Cyprus and the Soviet Union's intervention in Afghanistan in 1979.

Each country now uses its own equipment, including national satellites, to transmit to the other. The Russians send to a satellite whose signals are received by a ground station in the United States that in turn transmits to the Pentagon and to the White House.

The U.S. transmissions are beamed by satellite to a Soviet ground station.

U.S. Restricts Official Travel to Bulgaria

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — The State Department has issued a directive banning "nonessential" travel by U.S. government employees to Bulgaria.

The action was described here as an expression of displeasure over the indications that Bulgaria was involved in terrorism and drug smuggling.

The unpublished directive, issued Friday by Secretary of State George P. Shultz's chief administrative officer, Charles M. Hill, was described officially as a "routine interdepartmental memorandum."

The department's public affairs adviser for European affairs, Charles T. Sylvester, said that such directives had gone out in the past to cover such situations as the shortage of housing in Zagreb, Yugoslavia, or unsettled conditions in Guinea.

A prosecutor in Rome, according to a recently disclosed report, has implicated Bulgaria in a plot to assassinate Pope John Paul II.

A representative of the U.S. Drug Enforcement Agency told a House subcommittee last month that 25 percent of the heroin that arrives in the United States goes through Bulgaria.

The effect of the directive may be limited as it does not affect civilian travel, and travel by government employees would be banned in a particular case only after the State Department, in consultation with other agencies, determines it to be "nonessential."

Such actions could create East-West trade complications. The Commerce Department, which is supporting a major international trade fair in Bulgaria in September, could be hindered in its efforts to coordinate American participation.

A Reagan administration official, who asked not to be identified, said two recent developments triggered the State Department move:

- The overwhelming Senate support for legislation sponsored by Senator Jesse Helms, a Republican of North Carolina, that bars the use of government funds to promote trade with Bulgaria.
- The announcement last Thursday that Bulgaria had signed a trade agreement with Guyana.

The official said that the latter move "raised the specter of intensified drug smuggling through the Caribbean."

The directive was seen as creating a rift between the Commerce and State departments on East-West trade. Both departments had been allies in battles with the Pentagon and other foes of greater exchanges.

The Commerce Department is coordinating American activities at the Bulgarian trade fair, which is to be held from Sept. 24 to Oct. 1 in Plovdiv, Bulgaria's second largest city.

Leading American multinational corporations such as Dow Chemical, Stauffer Chemical, American Cyanamid, Coca-Cola, Bristol Myers, Honeywell, Calspan, FMC, and Westinghouse have been invited to take part.

NASA May Combine Shuttle Missions

By Thomas O'Toole
Washington Post Service

WASHINGTON — The National Aeronautics and Space Administration is considering a plan to combine the 12th and 13th missions of the space shuttle as a way to avoid expensive delays that could push at least one mission scheduled for 1984 into next year.

NASA sources said they expect a decision this week on whether to reschedule the aborted 12th mission for late July, move the 13th mission forward from its planned launch date on Aug. 29 or combine the two missions and fly Discovery into orbit for its maiden voyage on Aug. 29.

The big problem with combining missions is that we cannot combine crews," a NASA source said Monday. "Five crew members from the aborted flight or from the August flight would have to step down and wait for another turn."

The question of combining missions came up last weekend when technicians at NASA's engine test facility at Bay St. Louis, Miss., were unable to duplicate the failure of Discovery's starboard engine that aborted its maiden flight on June 26.

The engine had been shipped to Bay St. Louis, mounted on a special test stand and pushed through three long dry runs to see if the main fuel valve would fail the way it did on the launch pad at the Kennedy Space Center in Florida four seconds before liftoff. The engine was dismantled Monday and its parts shipped all over the country to the manufacturers to see if they could help solve the riddle.

"No matter what we did, we were unable to duplicate the failure," a NASA source said.

The aborted flight of Discovery was scheduled to be the first automatic shuttle landing, where the onboard computers land the shuttle without either of the two pilots touching the controls. Discovery can no longer demonstrate that landing, because it would not be able to land during daylight.

Even more troublesome is what to do with five crew members if NASA combines the two flights. Six astronauts were to make the aborted 12th mission, and five are set to make the 13th. Only one is assured of a flight if the missions are joined. That is Charles D. Walker, a payload specialist.

Mondale Restates Views on Ferraro

United Press International

WASHINGTON — Walter F. Mondale took issue Tuesday with a published report that he was disappointed with his interview with Representative Geraldine A. Ferraro.

On the contrary, Mr. Mondale said, he was impressed with the New York Democrat's knowledge of the issues. "She fully demonstrated her command of these subjects, and I was extremely impressed. Her constituents have every reason to be proud of her."

The New York Times had reported that Mr. Mondale's aides said the former vice president felt his session last week with Mrs. Ferraro had been "not quite up to expectations." But Mr. Mondale contradicted that in a letter to The Times and during an interview on a morning TV program Tuesday.

Peter Hurd, Artist, Dies 80 in New Mexico

New York Times Service

NEW YORK — Peter Hurd, 80, dramatic portraits of the eastern United States have been in galleries, public buildings, museums and popular magazines nearly 50 years, died Monday of complications of pneumonia in Roswell, New Mexico.

Hurd's career reached the presidential criticism when B. Johnson turned down a commissioned portrait of himself in 1965, calling it "the thing I ever saw." Mr. Hurd, "What do you like, Mr. President? Mr. Johnson whistled magazine illustration of him," Norman Rockwell said to have replied that Mr. Rockwell was a good friend of his, and he mainly copied photos. "I've earned to copy photos," the 80-year-old Hurd was later told by the Smithsonian Institution.

Mr. Hurd was born in Roswell, New Mexico, and received his education at the U.S. Military Academy and Harvard College. After his studies, he returned to Roswell, where he lived for the rest of his life.

His favorite subjects were drawn from the hills surrounding his ranch near the village of San Patricio, New Mexico. He also produced several acclaimed works for Life magazine, including a series of portraits of air force bomber pilots in 1943.

Claudio Sánchez Albornoz, Franco Foe, Political Exile — Claudio Sánchez Albornoz, 91, one of Spain's most prominent political exiles during the Franco regime, died here Sunday. He had served as president of the government-in-exile of the Spanish Republic from 1961 to 1971.

Mr. Sánchez Albornoz was a member of the Spanish Academy of History and a former rector of Madrid University. He was briefly the foreign minister of the Spanish Republic in 1933 and was the ambassador to Portugal when the civil war began in 1936.

When the Franco forces won the war in 1939, Mr. Sánchez Albornoz went into exile in Argentina. He visited Spain briefly in 1976, the year after Franco's death. Greeted by representatives of King Juan Carlos I and a cheering crowd, he said, "I have only one word — peace. We have killed each other too much already." He returned to Spain in 1983 because of failing health. (AP, Reuters, IHT)

Other deaths: George Oppen, 76, a poet, Saturday in Sunnyvale, California. "Of Being Numerous," which won a Pulitzer Prize, was published in 1968.

Elba de Padua Lima, 69, one of Brazil's most successful soccer coaches, Saturday in Rio de Janeiro.

Randall Thompson, 25, who composed choral works like "The Testament of Freedom," in 1943, evoking a folksy, patriotic vision of the United States, Monday in Boston.

José Humberto Quintero, 81, Venezuela's first Roman Catholic cardinal, Sunday in Caracas.

Reginald Stewart, 84, under whose baton from 1942 to 1958 the Baltimore Symphony Orchestra gained national stature, on Sunday.



Peter Hurd

Murder Suspect In U.S. Ends 13 Years as Fugitive

New York Times Service

SAN FRANCISCO — Stephen M. Bingham, a member of a prominent Connecticut family, has surrendered to the authorities, ending 13 years of flight from prosecution on five murder charges stemming from an escape attempt by a black militant at a California prison.

Mr. Bingham was jailed without access to bail and was to be arraigned Tuesday. In a public statement before he was arraigned on Monday to the Marin County sheriff, he said he would plead not guilty and would testify at his trial.

Terry Boren, assistant district attorney of Marin County, said the state would probably oppose Mr. Bingham's petition to be given bail because "he's been a fugitive for 13 years."

Mr. Bingham, 42, refused to answer questions about the events of Aug. 21, 1971, the day he is said to have delivered a pistol to George L. Jackson, a black militant who was then a prisoner at San Quentin.

Within 40 minutes after Mr. Bingham, a lawyer, had left the prison grounds, two prison trustees and three guards died in the escape attempt.

Mont Sect Leaders Defend Beatings, 'Fallen Nature,' Even of Babies

THE ASSOCIATED PRESS

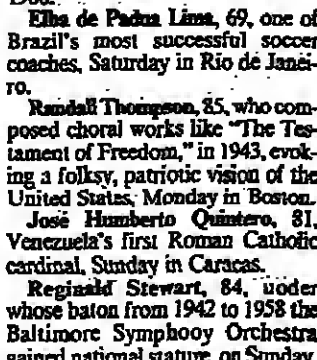
AND FOND, Vermont — of a exclusive church sect lies in a public meeting after they were abusing children. They told angry people that a "lost generation" result unless youngsters are babies — are "properly" beaten.

A meeting on Monday came after the state seized 112 children from the Northeast Church Community Church compound have them examined for physical and psychological abuse. However, the youngsters leaved within a few hours judge ruled there was not evidence to warrant the detention.

The town resident who is a former, Mary Hare, asked the 11 what age sect members disciplining their children. "You wait until a child is able to then you have waited too long," she said.

"We discipline our children because disciplining children is the standard of God," 13-year-old former church member over intervals for seven years said.

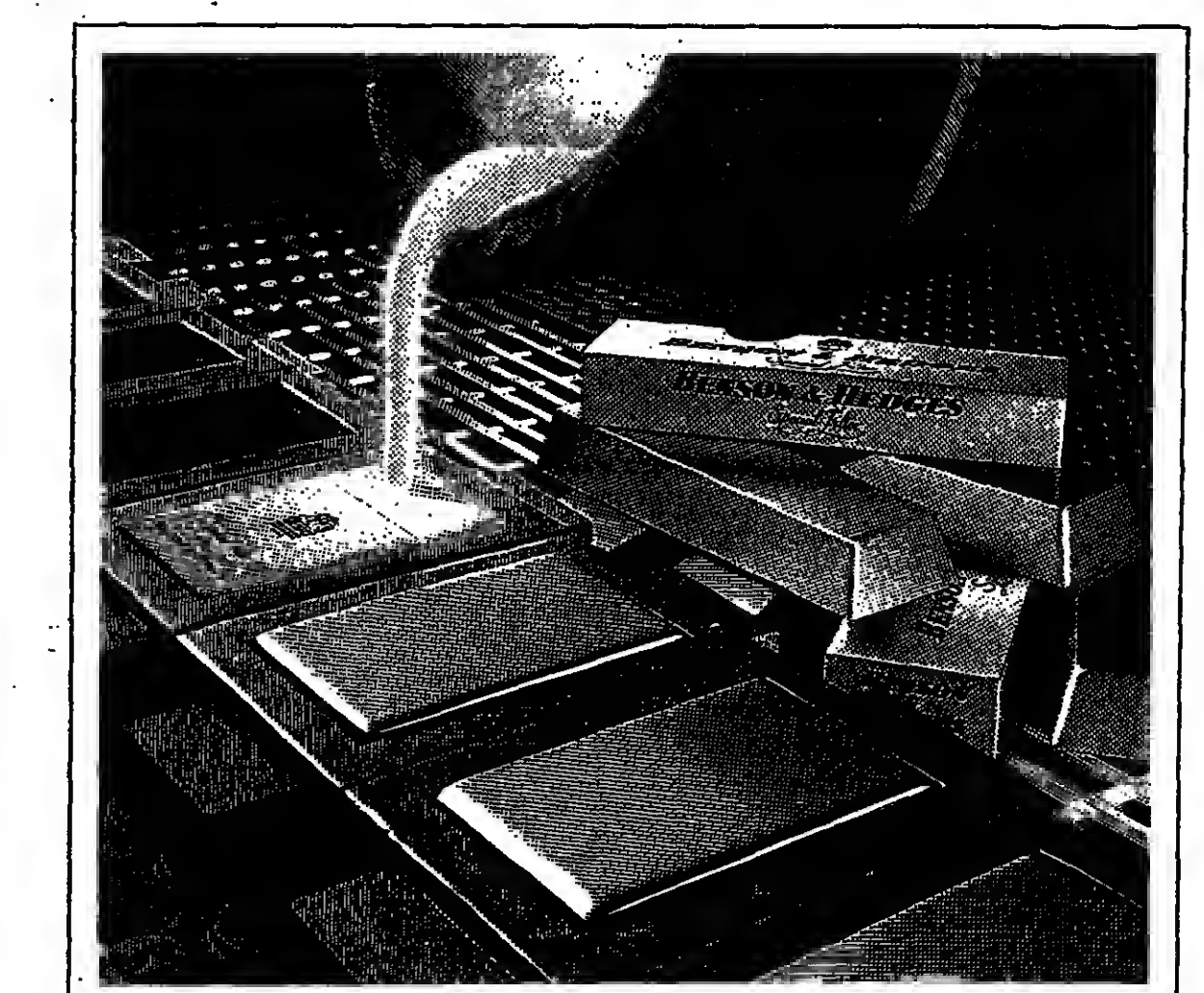
"The Lord with fear," Mr. Hare added, quoting the Old Testament's Book of Psalms and his finger at the audience.



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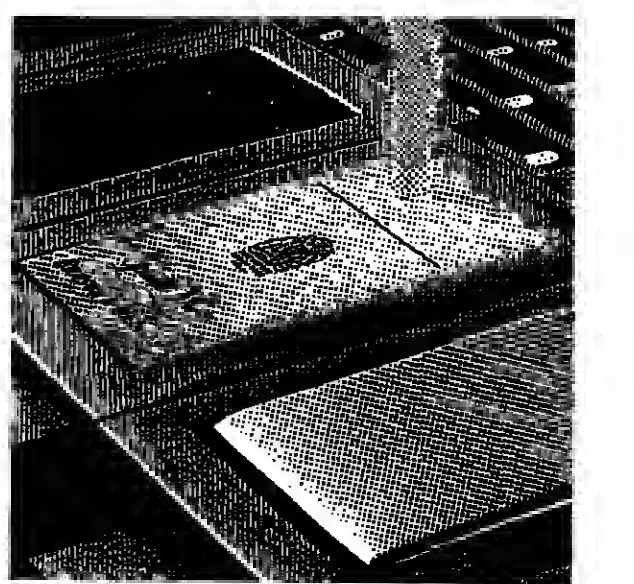
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Greeks Bearing Grudges

What is to be done about an ally, Greece, whose people have duly and democratically elected a leader, Andreas Papandreu, with a bent for saving outrageous things? In a speech in his Socialist comrades in May, Prime Minister Papandreu called the United States "imperialist," letting Moscow off as a "hegemonist," and declared, "Our strategic aim is the disengagement of our country from NATO." When President Ronald Reagan offered to put up a \$250-million carrot for progress in Cyprus, Mr. Papandreu, not content to say he took another view, accused Mr. Reagan of "misleading" the public. He gave further offense to the administration by ignoring its intelligence cautions and letting a suspected Jordanian terrorist skip the country in May.

An American official says it is "very frustrating to deal with a government, an allied government, that defends the Soviet Union and criticizes the U.S." It should not be necessary to observe, however, that exasperation is a poor source of policy. Mr. Papandreu's cool criticisms need to be answered in a cool way. But the United States, as the old uncle of the Atlantic Alliance, should not forget Greece is a democracy, an ally and a friend.

Unfortunately, the administration has let it

be known that it may transfer to Turkey some second-hand warplanes it had earlier planned to dispatch to Greece. The purpose of the change, or at least the purpose of publicizing the possibility of the move, is to indicate U.S. displeasure with a range of Greek pronouncements and with Greece's stand on terrorism. But the apparent effect has been to incite the Greeks to no good end.

At such moments debate revives in Washington over whether Mr. Papandreu personally is anti-American or whether he simply finds it a political necessity to play to the — yes — exasperating but real strain of Greek resentment and suspicion of the United States. We lean to the latter school. It took an American of the right to make the breakthrough to China, and a Greek of the left to renew the military-bases agreement with the United States. Mr. Papandreu carried off that major alliance-affirming move last year. Americans should keep that in mind.

If Greece has been lax on terrorism, moreover, the way to deal with it is by consultation and persuasion, not by a step (regarding the warplanes) that will reinforce many Greeks' hostility to the United States.

— THE WASHINGTON POST.

Safe Nuclear Trade

The Reagan administration is having welcome second thoughts about the agreement on nuclear trade that was initiated and toasted by Ronald Reagan in China last April. It has been delaying submission of the agreement to Congress while seeking further assurances from Beijing. If there is to be any serious prospect of delaying the spread of nuclear weapons around the world, Congress needs to insist that the agreement with China be a model, not a mockery, of safe nuclear trade.

What shaped the deal was Mr. Reagan's desire for something to sign on his visit, and the nuclear power vendors' thirst for customers. But there are major obstacles to this nuclear trade: China refuses to sign the Nuclear Nonproliferation Treaty and has long been suspected of aiding Pakistan in its clandestine plans to build an "Islamic bomb."

When China's prime minister, Zhao Ziyang, visited Washington last January, he averred in a White House toast that "we do not engage in nuclear proliferation ourselves, nor do we help other countries develop nuclear weapons." The Chinese affect to believe that this oral declaration was an acceptable alternative to tight, written agreements.

It is not quite after from China's suspect nuclear dealings with Pakistan — which in Senator Alan Cranston's view is now able to produce several nuclear weapons a year — there is every reason for the United States to condition a nuclear relationship on China's

full commitment to preventing the further spread of nuclear weapons.

A lax agreement with China, which is not a U.S. ally, would offend all Asian countries that are, and it would only sow the seeds of future resentment, like India's about the reactor at Tarapur. Since China has no foreseeable civilian need for reprocessing nuclear fuel, there is a tangible possibility that its plutonium will be diverted to military use. So China's desire to reprocess fuel irradiated in American reactors needs to be made subject to U.S. consent.

The risks of insisting on strict safeguards are less than exporters contend. American nuclear vendors talk glibly about a \$20-billion market in China. But even if the Chinese, owners of vast coal reserves, really need that many reactors, how could they pay for them? China is more likely to buy just a few, mostly to establish a general nuclear relationship yielding access to information and training. Taiwan and Japan are the more promising markets.

The administration, to its credit, has evidently realized that the agreement brought back from Beijing is not yet fit for the light of day. Officials need to secure specific agreement that China will separate its civilian and military nuclear programs, accept international inspections of the former and refuse nuclear trade with any country that does not do likewise. That would be a treaty worth toasting.

— THE NEW YORK TIMES.

Vice-Presidential Theater

Bleak thought No. 4,070 in an apparently endless series provoked by this year's election campaign: What if there is simply no way the vice-presidential-selection process can be made dignified and — new word — unbuffed? What if each new variation on the process is certain merely to add a new comic form to political theater in the United States? What if this is God's will?

We introduce the awful possibility because the precedents for this year's vice-presidential follies so strongly suggest that it may be true. Before there was North Oaks, Minnesota, after all, there was Plains, Georgia. And before that there was, frankly, worse — much summoning of people to the candidate's presence and much summary, unexplained rejection.

Is the present procedure being followed by Walter Mondale distinctively degrading to the many persons invited in for inspection, all but one of whom will be found wanting?

Is the ethnic-sexual-regional-religious gaffe being danced any cruder than what was danced before? Being on record as believing that Mr. Mondale has done anything but distinguish himself by his performance over the past several weeks, we do nonetheless begin to wonder on this particular score who ever did do the vice presidential picking right?

The alternative to the unseemly convention scramble (John F. Kennedy and Lyndon B. Johnson in 1960, Ronald Reagan and George Bush 20 years later) is the unseemly deliberation-consideration ploy.

It may be hard to remember now, but Gerald Ford and his political lieutenants did no little personal harm to some of the candidates when they let it be known they were considering them and then dropped them — sometimes for family-related reasons that were leaked and caused these men much pain.

Presidential nominees invariably have a rather cruel and humiliating way of discussing their prospective choices' strengths and weaknesses. We remind you here of the incredible taunting and teasing that preceded Mr. Johnson's announcement that he had chosen Hubert Humphrey to be his running mate in 1964.

In his book on that election, the political historian Theodore White remarked that one observer said it had been as if "Caligula were directing 'I've Got a Secret.'"

The Caligula factor is ever present, even in presidential nominees who see themselves much more in the Marcus Aurelius mold. This, we think, is because the choosing, by tradition, has been made such a personal, despotic affair, and because a body of custom and thought has grown up that makes the vice president a wholly owned subsidiary of the president.

The vice president owes everything — job, importance, perks — to the president; he can be given much, as Mr. Mondale and Mr. Bush were, but it can all just as quickly be taken away, and everyone knows this.

The ritual, therefore, when the selection of the vice-presidential candidate is made, is for that candidate immediately to begin to behave in a groveling and sycophantic way.

Some presidents like this more than others, but the potential is there and does not change. When the beauty parade at North Oaks finally ends, the candidates themselves could recoup plenty by at least trying to avoid the demeaning Act II that is written into the American vice-presidential script.

Walter Mondale knows a lot about how it feels to be chosen, and the requirements for self-respect are. He should insist that his running mate pass up the slavish obeisances and verbal goo.

— THE WASHINGTON POST.

FROM OUR JULY 11 PAGES, 75 AND 50 YEARS AGO

1909: Japan Yields Land to China

PEKING — An early settlement of the two important outstanding issues between China and Japan is presented by Japanese action in retooling from extreme positions long maintained. Japan now concedes China's absolute sovereignty over Chien-Tao and her ownership of Pratas Island. The Chien-Tao settlement will be on the basis of complete accession to China's demands, Japan not only recognizing China's sovereignty over the territory to which claim was advanced in Korea's name, but also conceding China's full administrative rights. Regarding Pratas Island, Japan disavows Captain Nishizawa's pretension to the claim of discovery, and also his action in raising the Japanese flag over the island and declaring it the Mikado's territory.

1934: Hitler Speaks on the 'Traitors'

BERLIN — The Reichschancellor (intervened on July 6) spoke with apparent sincerity, in emphasizing a point of special weight, he would pound the table with his fist, "During recent months we have had trouble in our ranks. Men in whom I had the utmost confidence turned out to be traitors. These leaders, high in the service of government and wearing the sacred insignia of authority, conspired and plotted to overthrow the established government. . . . To be true to the oath of my office and to keep my faith with my people, for whose welfare I am responsible, there was only one thing for me to do and that was to remove the traitors — to put them out of the way . . . and thus save the German people from the tragedy of a civil war."

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What Economic Path for Western Europe?

By W.W. Rostow

PARIS — Herewith some reflections on European economic policy based on six months spent in 10 West (plus two East) European countries. They are rooted in seven basic judgments.

- The time is rapidly drawing to a close when European democratic electorates will accept passively the current high levels of unemployment.
- Although the economies of Western Europe are interconnected in multiple ways with the economy of the United States, they have the capacity substantially to shape their own destiny if they act together.
- The viability of the European Community is endangered because it has not come credibly to grips with a new agenda capable of capturing the attention and commitment of European electorates, notably the new generation too young to remember the formative postwar years.

Although Western Europe commands the capacity in basic science, creative engineering, entrepreneurship and working force skills to match or out-match Japan and the United States in generating and diffusing new technologies, it is now moving forward somewhat sluggishly. The pace could be speeded up if the EC acted more vigorously with respect to the new technologies.

- Although it may be that the countries of Western Europe have not built up quite as large a backlog of depreciation of basic infrastructure as the United States, they have been living off capital in a profligate way with respect to the seas, rivers, lakes, forests and air of the region; and they have failed to carry out certain infrastructure projects of great potential productivity.

The radical expansion of European infrastructure in investment would immediately increase employment of semiskilled and unskilled workers and expand output in the basic industries now suffering from large idle capacity.

- The banking system of Western Europe (and the rest of the world) is endangered by the precarious debt structure that grew up in the 1970s. No resolution of the debt problem can be envisaged unless Western Europe (and the rest of the advanced industrial world) resumes relatively high, stable, noninflationary rates of growth.

High, stable, noninflationary growth rates are not possible for Western Europe unless all its major economies mount policies that combine effective monetary and fiscal policies with credible long-term incomes policies that assure that average money wages increase no faster than the average rate of productivity increase.

A similar set of judgments could be offered about the United States, and a set of proposals could be made along the lines set out below.

Clearly, the United States will have to face up before too long to its four related areas of economic pathology: excessive real rates of interest, a grossly overvalued dollar, a dangerously large overall balance of payments deficit and a large structural fiscal deficit. That facing up could be conducted with skill and grace, or it could occur in the context of an international crisis capable of doing great political and strategic as well as economic damage to the world community.

The argument here is that a concerted West European program of the kind summarized below could cushion the world economy in the face of the adjustments that the U.S. economy must inevitably make, as well as respond to certain direct West European needs and possibilities.

Here are some comments on a policy agenda that flows from the judgments set out earlier.

The new technologies: No one can move about contemporary Europe without being struck by the almost obsessive interest in and concern with the new technologies. One reason for the phenomenon is a growing awareness that the character of the new technologies (notably those stemming from the microchip and genetic engineering) will require important institutional

and other changes in our societies if they are to be effectively fostered and diffused.

This is so because the new technologies, rather than their earlier revolutionary predecessors, are linked to areas of basic science that themselves are evolving rapidly. It follows that the basic scientist, the creative engineer, the entrepreneur and the working force must form a new kind of team, often backed by venture capital comfortable with a world of high risk and

'Countries responding in different ways.'

high payoff. One of the most challenging dimensions of the new requirements is a new fraternal and osmotic linkage between the research universities and the production process — a kind of return to the linkage that generated the first industrial revolution in 18th century Europe.

The individual countries of Europe are responding to this and other requirements of the new technologies in different ways and at by no means uniform pace. The differences stem from variations in history, institutional structure and policy. There are also marked regional differences in response. For example, the south of Germany is alive with high tech while the north mourns with excessive pessimism the fate of the older basic industries.

But the point here is simple: While there can be no external substitute for national responses to the potentials and problems posed by the new technologies, serious sustained EC action could ease and accelerate national adjustments while exploiting the real but limited areas for common European action with respect to the new technologies.

Infrastructure investment: I have been drawn to the potential critical importance of infrastructure investment in Europe over the next generation by three quite different considerations:

- First, anxieties about high chronic technological unemployment. European economists I have long known and respected have argued that the new technologies are skill-intensive, capital-intensive, highly productive and not linked to large physical infrastructure requirements like the railroad and the motor vehicle. Therefore, they argue, we must resign ourselves to a large *Lumpenproletariat* pushed into low-productivity service sectors or permanently on the unemployment rolls.

I do not believe in this argument. I have concluded that present high unemployment in the Atlantic world is due to bad macropolicy; and the new technologies, like their predecessors, will generate more jobs, over a wide range of skills, than they eliminate. But enlarged infrastructure investment appeals not only because it is required but because it could constitute a significant insurance policy if my apprehensive European colleagues are right and I am wrong.

Second, a concerted EC infrastructure policy would have strong appeal to the new generation of young Europeans. Suppose the EC could agree to act effectively on the following proposition: We intend to rebuild our physical heritage and turn over to the next generation clean, European seas, lakes and rivers, vital and sustainable forests, clean air and manageable transport facilities. On the basis of conversations with young Europeans, I conclude that, if credible, that course of action could greatly strengthen popular support for the European Community.

Third, in real economic terms, infrastructure investment is cheap at the present time. From its cost one must subtract the unemployment benefits it would supplant and the reduction in the deficit in the normal (not the investment) budget. Moreover, as noted earlier, it would draw on labor and capital in excess supply.

The real problem with large infrastructure outlays is that, if pursued vigorously by one

European country, they could yield a deterioration in the balance of payments due to excessive imports. That is an important technical reason why the policy should be adopted by the EC as a whole, or by most of the community.

The second problem is that a rapid movement toward full employment could yield a surge in money wage rates in excess of productivity increases and a return to unit-cost inflation. That is one reason why a strong infrastructure investment policy requires a reliable incomes policy along with a willingness to temper excessive demand, if and when it comes about, with fiscal and monetary policy.

Incomes policies: The Atlantic world could enjoy high growth with relatively low rates of inflation without strong incomes policies from 1951 to the mid-1960s for a reason that macroeconomists seldom discuss: The prices of energy, food and raw materials were declining. We cannot count on that damper on inflation should we return to regular growth and low unemployment rates. And, after a period of stagnant or declining real incomes, and without a commitment to incomes policies, labor is likely to seek excessive money wage increases.

These are the reasons why some European (and other) governments see no way to control inflation for the long pull other than maintaining a kind of Marxist reserve army of the unemployed. But if my conclusion about the mood of Europe is correct, the days when that policy will remain politically viable are numbered. In that case, politicians will have to face up to the difficult but, in my view, inescapable task of leading their societies to install incomes policies for the long run.

I would only repeat what I have said of this problem in the American context. Clearly, the task is possible because incomes policies have been sustained for long periods in some democratic societies — for example, Austria and Japan. The task is difficult: incomes policies have broken down after periods of success in a good many democratic societies. Clearly, the creation and maintenance of an incomes policy is a quasi-constitutional task, and should be approached

'Incomes policy is not a zero-sum game.'

with the solemnity of any effort to establish new, abiding rules of the game. But an incomes policy is not a zero-sum game: All parties gain. In this case, I see no other way for Western societies to move into a generation of sustained growth and low unemployment without inflation.

Suppose these conclusions are more or less correct, and suppose Western Europe should move in concert to break out of its present impasse along the lines suggested. Two larger results would almost certainly follow.

First, a Europe closing the technological gap between itself and Japan and the United States, employing its working force and keeping inflation under control would quite easily manage its defense expenditures, including those designed to push the nuclear threshold farther down the road. Talk of U.S. troop withdrawals and Europe vs. the Pacific basin would soon subside. To put it another way, the failure to deal with economic problems on both sides of the Atlantic is likely to put greater strain on the Atlantic Alliance than quasi-isolationist politicians in the United States or neutralist politicians in Europe.

Second, a Western Europe strengthened by its own endeavors along these lines would not constitute a very attractive target for Soviet nuclear or other pressure.

The writer, who was special assistant for national security affairs to Presidents John F. Kennedy and Lyndon B. Johnson, is the author of "The Barbaric Counter-Revolution: Cause and Cure" (Austin, 1983; London, 1984). He contributed this comment to the International Herald Tribune.

González Is Ignoring Some Serious Problems

By Victor de la Serna

MADRID — Prime Minister Felipe González has devoted much of his first 18 months in office to achieving two goals: bringing Spain into the European Community and solving, or at least considerably reducing, Basque terrorism. Success is nearer on both fronts, but Mr. González may in the meantime have neglected too many other problems, including the growing divisions among his Socialist backers.

When the EC recently pulled itself out of the deadlock over British contributions, it also did Mr. González a terrific favor: It cleared the path for Spain's entry on Jan. 1, 1986. The budget dispute had been the main cause of the delay in talks on the Spanish and Portuguese applications.

At the same time, a much more subtle surveillance by France of the Basque terrorist "factory" in the Pyrenees-Atlantic department on the Spanish border has caused, according to police reports, increasing disarray among members of the three branches of the Basque ETA movement. Many members are being expelled from France.

Mr. González is a convert to a new creed — that he must carry out what some call a "liberal revolution" instead of a "Socialist revolution."

The "modernization" of Spanish society is the new rallying cry. It encompasses some painful decisions, such as how to streamline the country's decaying industries. It all has very little to do with the Socialist electoral platform. No jobs have been created — in fact, about 250,000 more have been lost.

Now Mr. González has two large problems ahead. One is how to get some tangible backing from private enterprise, now that the International Monetary Fund and the large Spanish banks have praised his economic policies. He needs an increase in capital investment and has so far failed.

The second problem is the revolt among his backers. There will be a Socialist Party congress in December, and the left wing will try to get the government to return to orthodoxy. The Socialist trade union is also wavering in its support — and unemployment is bolstering the more radical, Communist-led unions known as Workers' Commissions. So the call for "anti-capitalist" policies grows.

In tackling both problems, Mr. González is counting on the absence of a solid opposition, just as in the past his opponents failed to exploit his weakness and failure. The conservatives remain divided and without a clear-cut leader, and the Communists cannot seem to get going. Despite a 22-percent rate of unemployment in heavily industrialized Catalonia, for example, they got only 4 percent of the vote in recent elections.

In addition, the prime minister and his advisers are acutely aware that the Socialist Party and trade union have only a few hundred thousand members, while Mr. González received more than 10 million votes in the 1982 elections. There is a moderate majority in that electorate, one that appreciates successes in the drive to halt terrorism and to enter the EC, and one that has tolerated, until now, economic austerity.

But Mr. González cannot go on forever dodging the consequences of his ambiguous position. His cabinet is badly split between moderates and mainstream Socialists. Mr. González aborted last week an expected cabinet shakeup, apparently because he was unable to decide between the opposing demands of the two groups.

Again, he appears to be counting on the successful conclusion next fall of the EC talks and on new advances against terrorism. More than that, he will ultimately have to come out clearly on his side, change his cabinet accordingly and accept the resulting rewards and punishment.

Spanish public opinion backs Mr. González's overall, long-term strategy, but it is puzzled by the fact that so many high officials do not support that approach.

International Herald Tribune.

LETTERS TO THE EDITOR

Jewish Terrorists

In response to the report "Jewish Terrorist Suspects in Israel Get Support for Anti-Arab Violence" (June 13) by David K. Shipper.

Nobody would deny that the Jewish terrorists have some support in Israel; they would not exist otherwise. But even within the orthodox community, even within the Gush Emunim, within the perimeters of settling Judea and Samaria with Jewish townships and villages, the support given to the Jewish terrorists is marginal. I happen to know several people from France and the United States who have settled in Judea and Samaria for ideological reasons; they all strongly condemn any blind act of violence, any act of terrorism committed by Jews, and they also report that most people around them condemned these acts with the same vehemence.

Mr. Shipper's report suggests the contrary: that the support of Jewish terrorists is not only widespread but also organized with official complicity.

plus 10 for his wife and five for each of his children.

PHILIP S. FONER, Philadelphia.

Stopping the War

Regarding "Diplomacy Is the Key To Ending Gulf War" (June 27):

Everyone who is familiar with the Iran-Iraq war must endorse Robert C. Johansen's views. It is a tragedy that the underlying motives and circumstances of this war are not more forcefully highlighted by the international and Arab press.

The suffering of the peoples of Iraq and Iran is enormous. How can an American president who has the ability to take the imaginative diplomatic actions as suggested by Mr. Johansen sleep at night when on the front lines, poorly trained and misguided young men must give away their lives in a futile war. I hope Mr. Johansen's comments will be read by the U.S. defense secretary and State Department officials who might appreciate the implications of his advice and take such action that countless Iranian and Iraqi brothers will include the U.S. president in their prayers.

F.A. WOLF, Offingen, West Germany.

Sierra Leone's Settlers

Regarding "Sierra Leone: A Case of Apartheid, More Than Anger" (June 30) by Clifford D. May:

The report says that Sierra Leone was founded, in 1787, as a haven for freed slaves. These were actually blacks from the American colonies who had fought with the British during the War for Independence and who after the war had been taken with their families to Nova Scotia to prevent their being re-enslaved in what had become the United States.

During the cold winter months in Nova Scotia, these black settlers nearly starved. Finally, they sent an emissary to England to ask for permission to move to Sierra Leone. Their request was granted, and in March of 1792, after a difficult voyage, over 1,000 landed in Sierra Leone. The immigrants had few shelter, but there was freedom, and each adult male was given 20 acres of land.

Mondale Just Might Be Elected

By Tom Wicker

NEW YORK — Who says Walter Mondale can't win? Virtually everyone, it seems. But little is certain in politics, as Harry Truman fans can testify, and in a presidential campaign the clutch just happens to be true: Anything can happen.

Last Sept. 1, for instance, the Russians shot down that Korean airliner — a horror story that would have changed the course of an election in Mr. Reagan's favor. But such a bolt from the blue might have had the opposite effect: President Gerald



Ford's fluff of an easy question on Poland in the 1976 campaign debate was such a late-inning disaster.

Another reason the Democrats should not despair is that Mr. Reagan's big lead is in the polls and the only lead that counts is at the polls.

Jimmy Carter emerged from the 1976 Democratic convention with a 21-point lead over Mr. Ford; but on election day, Mr. Carter squeaked in with 51 percent of the vote. In 1980, polls suggested a close vote until the last 10 days of the campaign, when sentiment swung over to Mr. Reagan.

Mark Shields, the columnist, has pointed out that even after the president's visit to China, his D-Day and Irish triumphs, recent favorable economic statistics and the long Mondale-Hart bloodletting, he leads Mr. Mondale by only 50 to 35 percent.

That is an impressive gap, but it still leaves a familiar incumbent, who has had the headlines breaking his way, with the support of barely half the poll respondents. And an impressive Democratic convention — not necessarily a noncontroversial one — could eat far into that 15-point lead before the fall campaign begins.

A third reason I believe that Mr. Reagan is by no means invincible is what I call macropolitics — the politics of specific voters as opposed to the macropolitics of big issues such as the economy.

The president won a huge victory — 489 to 49 — over Mr. Carter in the 1980 electoral college; but his margin in numerous states that he carried was slender indeed.

The Reagan popular vote, in fact, was less than three million more than the combined totals of Mr. Carter and the independent John B. Anderson and represented only 51 percent of a low turnout (53.9 percent of the voting-age population). In sharp contrast, Richard M. Nixon in 1972 won by almost 20 million votes, 61 percent of a turnout of 55.5 percent.

To reach his relatively spectacular popular vote, moreover, Mr. Reagan cut into normally Democratic constituencies — winning only one percentage point less among blue-collar workers than Mr. Carter did, for example, and taking 41 percent of votes cast by low-income families.

Mr. Reagan will of course retain some of those once-Democratic votes and no doubt his support in other areas of the population has grown since 1980; but he is also alienated many who voted for him then — women in particular. The Anderson vote, moreover, appears to have come more from Democrats and women than from Republicans and men. It is fair to suggest, then, that even an incumbent Mr. Reagan may have a difficult time getting 51 percent of the vote this time.

The president will not face a candidate burdened — even taking into account Mr. Mondale's considerable problems — with weaknesses as great as those that finished off Mr. Carter: rising inflation and unemployment, the hostages in Iran. No independent is running to divide the Democrats. Women are more active and now heavily anti-Reagan. Blacks offer potentially a big new turnout, virtually all Democratic — and could hold the balance of power in the crucial Southern states.

Even in a rising economy, the memory of 10-percent unemployment may reduce Mr. Reagan's blue-collar support; and continuing high interest rates will not help him among farmers and small businessmen — enthusiastic Reagan supporters in 1980. A tumbling policy in the Middle East might reduce his backing among Jews who mistrusted Mr. Carter in 1980.

Finally, Mr. Reagan is not home free even in big-issue macropolitics. His recent efforts to renew some kind of arms control talks with the Russians suggest his political discomfort on this issue. Since his 1980 victory, the big nuclear-freeze movement has developed and other peace activists have been reinvigorated.

His militarist approach to Central America is dubious politically, and that region is one where a bolt from the blue could hurt him.

None of this, of course, means that Mr. Mondale can win without an astute, hard-hitting, effective campaign and a generally united party. But those are his and the Democrats' problems; Mr. Reagan's only give them their chance — a real chance.

The New York Times.

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ARTS / LEISURE

A Novelist's Faith and 'Dreams'

By Fox Butterfield
New York Times Service

BOSTON — Jayne Anne Phillips had no clear plan when she set out four years ago to write her first novel, "Machine Dreams," which has recently been blithely to critical acclaim.

"I had no idea of how to write a novel," she said. But Phillips did see "faith" it would all come together in an organic way. "The material was there," she said. "I just loved the material." The material was her sense of her family and the time and place where she grew up, a small town 8,000 people in West Virginia. Phillips does not want to give name of the town — just as doesn't like to say the name of working-class section of Boston where she now lives. Coming from a small town, she relishes current anonymity in a big city.

But her hometown was much more than a place. It was a place of green forests and a swift river, had a small college and was peopled by residents who were devoted to a vanishing way of life. And much like the characters in her novel, Phillips's mother was a road-crew foreman. Dan, the daughter in the novel, was almost the same year as Phillips — 1952 — and studied English at the University of West Virginia, as she did.

Phillips insists that despite coincidences, the book is really autobiographical. "I've often thought that the novel is a part of my family life," she said. "It's not what happened, it's what I feel about it."

Phillips, in contrast to the autobiographical quality of her first novels, with their ac-

counts of coming of age, Phillips has chosen a more ambitious format, telling the story through the voices of four members of the Hampton family. They are Jean and Mitch, the father and mother, and Danner and Billy, the daughter and son.

"I had a lot of sympathy for Danner," Phillips said. "But the point of writing the book was to see if I could write the other three, to represent the universe of them."

"I didn't want a third person narrator commenting on the characters. I've always been interested in language, and I wanted the characters to speak for themselves," as Mitch does in recalling his childhood.

"I was born on the farm in Randolph County, 1910, lived there until I was 6," Mitch says in introducing himself in the book. "Then went to Raynolds with my aunt and her husband. He was a conductor on the railroad — big business then, everything went by rail."

"It was a new job for him and not traditional in the family; they had all been household farmers and worked in mines."

Underlying "Machine Dreams" is a sense of the passing of time and a feeling of loss as the Hamptons suffer divorce, alcoholism, bankruptcy and other dislocations. As the book progresses, the Hamptons seem to become a parable for what has happened to the United States in the last four decades.

"So the time went on quietly," the mother recalls to Danner. "I worked, took classes at the college. Life wasn't like it is now. Look at you — born here and think you have to get to California, go so far, do so much so fast. Crazy situations, strange people — all this I hear about drugs. We



Author Phillips: A keen sense of time and place.

"Vietnam has not been laid to rest," she remarked. "It remains, as palpable as a death in the family, a death that goes on and on, haunting America. They were all our brothers."

In this sense, Billy's loss is meant both literally and metaphorically, as a symbol of the United States' loss of direction. "Part of the point of the book is

that politics is very dangerous, because it kills people. People don't react till they are in immediate peril, but the machinery that would entrap you is set in motion early on."

Nevertheless, Phillips does not think of her novel as explicitly political. "A lot of that is what the reader brings to it. I think any good work of fiction is political."

'Common Pursuit': Good Talk

By Sheridan Morley
International Herald Tribune

LONDON — Simon Gray's new play, "The Common Pursuit" (at the Lyric Hammersmith, in a Harold Pinter production), is about undergraduate dreams drifting into the corruption and disillusion of middle age.

To point out that George Kaufman and Moss Hart and Stephen Sondheim did it a lot better in "Merrily We Roll Along" is not to deny the arrival of real dramatic intensity toward the end of Act 2. By then, however, some of the cracks in the fabric have become dangerously wide.

From the very beginning it looks as if we have two quite different plays here. The first is a wispish light comedy about the Oxbridge literary mafia in the 1960s and '70s, complete with nostalgic references to Kenneth Tynan and accurate jokes about The Sunday

and he is fast becoming our best war correspondent in the political battle of the sexes.

In a year that has been marvelous for rare American treats (Eugene O'Neill's "Strange Interlude," William Saroyan's "The Time of Your Life"), perhaps the rarest of all is Paul Osborn's "Morning at Seven" at the Westminister. Premiered on Broadway in 1939, when it flopped, and revived there in 1980, when it became an award-winning success, this is essentially popcorn Chekhov: Four sisters living in neighboring houses in a small Midwestern town in 1922 deal with three husbands, a son and a pregnant girlfriend. It is all the more fascinating for having come from the year in which O'Neill and Saroyan were telling more poetic tales of barroom losers.

Osborn's characters are not losers at all, nor are they much given to poetry. They are the backbone of America, the people Arthur Miller was soon to write about in "All My Sons." Sure there are a few skeletons in the closets: One of the sisters may have been off with one of her brothers-in-law, and another may have driven her husband to the brink of mental and physical decay. But these are what Thornton Wilder would have called good people. If they drink it is with caution, if they go to the pictures it would doubtless be to see the paintings of Norman Rockwell or the movies of Frank Capra.

One of the greater mysteries of the piece is why Osborn, a neglected playwright who ended up in Hollywood doing journeyman screenplays for "South Pacific" and "The Yearling," never made this one over for James Stewart and Jane Wyman. In fact, it's a better script than that might suggest. Osborn's four sisters may lack some of the poignancy of Chekhov's three, but they are still a formidable team, played here by Teresa Wright (the only Broadway survivor), Faith Brooks, Margaret Tynan and Donna Martell. Occasionally bitchy, in total control of men they have reduced to gibbering wrecks or forced into self-contained apartments within their own houses, they are a funny and touching sorority. When, at the end of the play, one of them announces that she is leaving, although only across the street, it is a heart-stopping moment.

"Morning at Seven" retains its fascination because you never quite know where the author stands: Does he really believe with Wilder that people like this are what has made America great, or is he cynically asking us to look at the clenched pain, loneliness, marital despair and terrible meanness in a family that exists only to prove that relative values are still the only values worth fighting for?

Adapting his New York production for an English cast, with Joe Vaneek's faithful reproduction of William Rittman's gable-end setting, Vivian Matalon has collected one of the strongest casts I have seen recently in the West End. The male quartet of wimps (John Church, Dou Fellows, Peter Jones and Alan MacNaughtan) are no less touching in defeat than their women are hilarious in their victories.

It is also good to welcome back Andrea Melly as the only nonrelative, a middle-aged fiancée who has somehow managed to stay engaged to the son of the house for eight years without strangling him. In the end what we have is a domestic tragedy of comical fascination: The family that preys together stays together.

Britain Plans American Arts Festival in 1985

NEW YORK — The largest festival of American arts and entertainment to be held in the British Isles has been scheduled for London, Glasgow, Scotland and Cardiff, Wales, for May 1985. Already signed for the festival are the New York Philharmonic, the St. Louis Symphony, the Dallas Symphony, Isaac Stern, Murray Perahia and the Paul Taylor Dance Company.

27, Spoleto Festival Is Losing the Excitement of Discovery

By William Weaver
International Herald Tribune

LETO, Italy — Saturday was the 73d birthday of Gian Carlo Menotti, and for a man whose festival, the Festival of Two Worlds, offered him best wishes in a number of ways.

The traditional noonday concert, memorized by the Westminster Choir, wearing T-shirts that spelled out "Buon Compleanno! Happy Birthday to You." The same as repeated Saturday night by the orchestra, at the end of a performance of Menotti's "The Last Savage," first given in Paris in 1963 and given a new edition (in Italian translation), beautiful-

ly designed by Beni Montresor and brilliantly staged by the composer himself.

Menotti has always been clever in finding talented singers, and for this revival he was fortunate to have the pure, high soprano voice of Marina Bolgan for the part of Kitty and sweet, affecting Cristina Rubin as the more tender Sarah.

Montresor was also responsible for the production of Cavalli's "Orlando," seen at the intimate Teatro Caio Melisso, in a presentation by the Chamber Opera Theater of New York. After Menotti's Italian setting, the "Orlando" required an equally exotic North Africa, which the designer created with simple, mirrored shapes and delicate hangings.

Thaddeus Motyka staged the long, complex piece with a welcome absence of fussiness and with emphasis on the rich, subtle score, which Hugh Keelan conducted sensitively and incisively. Again, the cast was on a high level: Sally Mitchell Motyka was outstanding as the betrayed but resourceful Sicel, Bill MacFarland was a resolute, noble Amide. In the title role, the tenor Ronald Naldi revealed an attractive voice, but stylistically he was closer to Andrea Cioener than to a baroque hero.

The greatest success of the festival, musically speaking, has been the production of Strauss' "Ariadne auf Naxos," not so much because of the staging but thanks to the radiant singing of Esther Hinds in the title role and of the astral Cecily Nall as Zerbinetta. Katharine Ciesinski, as the composer, was on the same high level.

For the rest, this 27th Spoleto festival has not been particularly thrilling. Too many of the productions — such as the Stuttgart Ballet's "Eugene Onegin" — arrive bereft of loom exploitation.

The sense of things being created in Spoleto and for Spoleto, the excitement of discovery that marked earlier festivals, has been lost. Even the chamber concerts — good and enjoyable as they are — mostly feature familiar, even world-famous artists.

As his vigor, humor (and looks) clearly demonstrate, despite his birthdays, Menotti does not age. But his festival does.

India Says Sikhs Abroad

Backed Punjab Violence

led by Our Staff From Dispatches

DELHI — India on Tuesday said Sikh separatists in East and North America for support of the communal violence in Punjab, where Sikhs want to establish a separate nation.

A government report on the agitation in Punjab said Sikh groups in the United States, Canada, Britain, West Germany had supported the campaign to establish a nation, Khalistan.

The report described Punjab as a border state with a record of agricultural and industrial development, and said it "would be an obvious target for subversion" because of its strategic location and the activities of based abroad acquire a special significance.

The government report said the agitation of why it had ordered the Sikhs to leave the Golden Temple in Amritsar said 554 extremists and 92 were killed in the assault, the 6 to June 30.

Indian government announced to a private warning U.S. State Department that



Andrei Tarkovsky

Soviet Forced Him Out, Says Tarkovsky

Reuters

MILAN — Andrei Tarkovsky, one of leading Soviet movie directors, said Tuesday he had decided to seek political asylum in the West because he was no longer free to work in the Soviet Union.

"As far as the Soviet authorities are concerned, I simply do not exist," the director said at a press conference organized here by an Italian Catholic group. He said that the director of the Soviet Cinema Institute had struck him from the register of filmmakers.

Mr. Tarkovsky, 52, has spent the last 18 months working in Italy and Sweden. His most recent film, "Nostalgia," is about a Russian artist who finds it impossible to live in the West.

Mr. Tarkovsky has vainly sought permission for his son, Andrei, 13, and his mother-in-law, Anna Semenovna Egorkina, to be allowed to leave the Soviet Union.

The director said he would go home if the authorities allowed him to work, "but I have suffered a violent insult and I feel as though they have spat on my soul. This would make it very difficult to get over the experience."

Mr. Tarkovsky, whose decision to renounce Soviet citizenship was made public Monday by the Catholic Movement Popolare, said he had not sought asylum in any Western country.

"If I went back to the Soviet Union now I would be unemployed," Mr. Tarkovsky said. "I cannot help but ask why they persecute me so."

In his 23 years as a director, he said, he had been able to make only six full-length films.

U.S. May Let Airlines' 2-Engine Jets Cross Atlantic

By Richard Winkin
New York Times Service

NEW YORK — The U.S. Federal Aviation Administration is asking industry comment on a proposal that would permit two-engine jetliners to begin scheduled nonstop service across the Atlantic by next summer.

Boeing, builder of the twin-jet 767, as well as the airline companies have been pressing the agency to modify current rules that in effect ban such service.

Two-engine jetliners have flight ranges well over 4,000 miles now and would save money on runs where passenger demand is limited. A two-engine jetliner with one engine disabled can routinely continue in level flight.

"There have been 30 years of progress since the current rules were written," said Richard W. Taylor, a Boeing vice president and a former test pilot. "You no longer have to have an airport in the shadow of your wing tip every place you fly."

However, Airbus Industrie, the European consortium that makes the twin-jet Airbus A-310, a competitor to the Boeing 767, is opposed to putting the two-engine jetliners into regular trans-Atlantic service now.

Bernard Ziegler, senior vice president of the consortium, said in a telephone interview that North Atlantic weather is too unpredictable and an "in-depth review" of operations with twin-jet planes is vital before it will be safe to schedule them on trans-Atlantic runs.

Representatives of the Air Line Pilots Association also have expressed concern about the rules that would be built into the plan, although they do not oppose it in principle.

The guidelines drawn up by the Federal Aviation Administration contain safety criteria that would have to be met to obtain approval for two-engine jetliners to make scheduled ocean flights.

Planning for inauguration of the service next year is moving ahead despite a feeling among airline and travel industry officials that the average passenger may not welcome the prospect of a two-engine ocean crossing.

However, proponents of the two-engine plan note the jet engine's remarkably safe track record and parallel advances in the reliability of electrical, hydraulic and other aircraft systems.

At least three airlines — Trans World, Air Canada and El Al Israel — are making plans to operate twin-jet trans-Atlantic flights if the proposed guidelines become official in the fall.

These carriers would use the Boeing 767, a two-engine jetliner that is smaller — 211 seats in standard layout — and technologically more advanced than the four-engine 747s and three-engine DC-10s and L-1011s now flying the route.

The jumbo jets carry passenger loads of 300 to 400.

Travelers would benefit, airline officials contend, because lower costs would help hold down fares, and the new planes, introduced less than two years ago, have roomier, more modern seats and overhead bins.

The government's proposed guidelines are contained in a 22-page document that the aviation agency calls an advisory circular. Copies were sent late last week to industry representatives so that they can suggest changes that could be made before the guidelines become official.

At present, a twin-engine airliner may not follow a route that takes it to any point more than 60 minutes of flying time, with one engine not working, from an adequate airport.

In effect, it rules out trans-Atlantic nonstop service by twin-engine airlines.

The new guidelines would double the limit to 120 minutes. Suitable North Atlantic airports, such as those in Iceland and Greenland, would always be within the 120-minute range.

Furthermore, the guidelines would provide additional means by which airlines could apply for deviations allowing their planes to range as far as 138 minutes from the nearest airport.

Even the 138-minute guideline would not be enough for Pacific service between the U.S. West Coast and Hawaii.

The rule covers only large commercial aircraft. Corporate twin-

jets have been flying over the Atlantic for some time.

"In the entire 25-year history of the jet transport fleet, there has never been an accident as the result of multiple simultaneous engine failures," said Mr. Taylor. Based on experience with jets up to last year, the probability of a double engine loss on a twin-jet plane would be one in one billion hours of flight, he added.

Boeing is already modifying the 767 to extend current safety levels for the extra time that might be needed under the 120-minute rule, including increased fire suppression in cargo holds, a fourth electrical system to provide extra guarantees that the crew does not lose critical instruments, communications or navigation aids, and an improved system for cooling electronic equipment.

African Panel

es Repeal of

ial Sex Laws

Reuters

TOWN — A parliamentarian considering laws banning interracial South Africa has reported laws should be abolished.

report presented to Parliament Sunday night, the committee of the two measures are not of being amended to bring improvement.

committee, chaired by Piet Botha, the deputy minister of internal affairs, was appointed for amending the two laws, partly called "pillars of apartheid" which prohibit marriage or relations between whites and blacks.

The committee said: "The neg of immorality is the community as a whole, vision of law in this regard apply to all persons, irrespective of race or color."

reports said many church and lawyers told the committee there was no way of the two acts which would scrap them.

committee's report said the evidence indicated that the two measures were desir-

Chinese General to Europe

Reuters

BEIJING — General Yang Dezhi, chief of the general staff of the Chinese armed forces, will visit Yugoslavia and Romania beginning Thursday, the Xinhua news agency said Tuesday.

Tunisia Raises Prices Of All Cereal Products

The Associated Press

TUNIS — Retail prices of cereals and cereal products were increased Tuesday by 10 percent to 12 percent, six months after a Tunisian government attempt to double the prices of basic foods led to rioting in which more than 100 people were killed.

A government communiqué said the increases, which were approved several months ago, would affect bread, flour, spaghetti and semolina. According to government sources, further increases in the price of food, as well as electricity and other utilities, are planned at the end of the year.

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(Continued from Page 13)			
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INSIGHTS

Behind the Mystique of Ferrari

The Man and His Machine: Pioneering and Exacting

By Ralph Blumenthal
New York Times Service

NEW YORK — In the fields outside the small northern Italian town of Maranello, a new blood-red Ferrari 308 GT3 is rocketing around a test track. The car twists into 14 steep curves on the 1.86-mile course. On the 700-yard-long straightaway, the needle on the speedometer brushes 120 miles per hour.

The test driver pumps the brakes, downshifts and screeches into a hairpin turn. The rear wheels skid; he spins the steering wheel to regain traction.

"No problem," he says, grinning. Several more high-speed laps, and the decision is made: This Ferrari passes; it can be sold.

When it comes to high-performance luxury cars, the Ferrari name has long paced the pack. Imbued with the mystique of its 5,000 racing victories and numerous martyred champions, the Ferrari marque is the emblem of a prancing black steed on a yellow shield — has come to symbolize speed, danger, exactitude and exclusivity.

In an era of mass-produced, cookie-cutter cars, restrictive speed limits and fuel economy, the Fiat-controlled company founded by Enzo Ferrari, 86, stands as an anomaly.

From 1947 to 1983, while Detroit turned out hundreds of millions of cars, the Ferrari plant at Maranello, nine miles (14.5 kilometers) outside the city of Modena, created exactly 32,441 Ferraris, no more, no less and, it might appear from the bewildering variety, no two alike.

"I should like to put something new in my cars every morning," Mr. Ferrari once said, and his propensity for changing models has driven Ferrari followers crazy ever since.

In the 1970s, while other car-makers were scaling down and making their cars more fuel-efficient, Ferrari was building \$85,000, 12-cylinder gas-guzzlers that could surpass 170 mph. Most other cars depreciate and get junked. Ferraris grow in value over time and achieve immortality through extensive restoration.

Demand for Ferraris substantially exceeds the supply, yet the company will not step up production. "I could sell three times the number of cars I get," Steven Kessler, a Ferrari dealer in New York City, said.

Nowhere has Ferrari won a more appreciative audience than in the United States, where Ferrari sells at least \$800 cars a year, about one-third of its annual output. Now the company is about to set off on a major new American initiative. By early 1985, Ferrari will introduce its biggest and most powerful road car ever, a 12-cylinder, mid-engine two-seater designated the 512TR, for Testa Rossa, or "red head," named after a famous red-cylindered Ferrari racing model of the late 1950s.

The Testa Rossa — a type of car called Boxer, because its horizontally opposed cylinders give the big engine a flat, boxy look — will be the first Ferrari specifically designed to meet U.S. emission and safety standards. Until now, Ferraris have been designed to European standards and then modified in the factory to meet U.S. requirements.

The model will also mark the official return of the 12-cylinder Ferrari to the United States. Since the demise of Ferrari's 12-cylinder Dayton-



Enzo Ferrari: Just a troublemaker?

na in 1973, all Ferraris bound for the United States have been eight-cylinder models, including the GT3, the model with the removable roof, and the closed-roof version, the 308 GTB, both listed for about \$59,500.

But as Mr. Ferrari once said: "The Ferrari is a 12-cylinder car."

By producing the Testa Rossa for the United States, Ferrari hopes to preclude the flourishing "gray market" in its current flagship, the 512 Berlinetta Boxer. This big 12-cylinder, which is scheduled to go out of production this month, was not intended to be sold in the United States. Yet importers have been bringing the model in for adaptation, by private specialists, in American standards.

As Stan Nowak, a Ferrari historian and general manager of Bob Sharp Ferrari in Danbury, Connecticut, said: "The minute you tell people they can't get something, that's when they want it."

As for what the new Testa Rossa will look like, how much it will cost and how fast it will go, Ferrari is not yet saying. According to a bootlegged photograph recently printed in Auto Week, it will resemble the current Berlinetta Boxer, with the addition of exaggerated horizontal louvers sweeping back from the front wheels across the doors. It will certainly be priced in the \$100,000 range and could have a top speed approaching 200 mph.

Also available for first-time export to the United States next year will be 50 of about 200 forthcoming new GTO supercars, a reissue of one of Ferrari's most venerated sports racers of the 1960s. The new GTO, similar in appearance to the current 308, is made to accelerate from 0 to 62 mph in 4.9 seconds, to have a top speed of just under 190 mph and to sell for about \$95,500.

The GTO, however, will not be preadapted to American standards and will have to be imported

privately and altered by each purchaser, according to Ferrari.

What purpose such diabolically fast, expensive and inefficient cars may serve in an era of energy worries, congested roads and restrictive speed limits, as in the United States, is a good question. It is not one that particularly troubles Ferrari officials. They say their cars can also be savored at 55 mph, that there is joy and safety in being able to unbend a steep curve at 40 mph or to climb hills effortlessly and with power to spare.

But in the end, there is probably no sensible answer, save that those who can afford such cars want them.

And they want them, it is clear, because they go fast. Frank Stella, the artist, was arrested not long ago for driving his silver Ferrari 105 mph on the Taconic State Parkway in northern New York state. A judge sentenced him to give lectures on art to local residents.

THE secret of making excellent cars is not in the ability of making something that the others are not able to make," Pietro De Franchi, a Ferrari marketing spokesman, said. "It is the number of checks that we make, the special controls, the tests. This is the real secret."

Mr. Ferrari once remarked that he builds engines and attaches wheels to them. Thus the making of a Ferrari can be said to begin in the foundry. The company makes a point of casting its own engines.

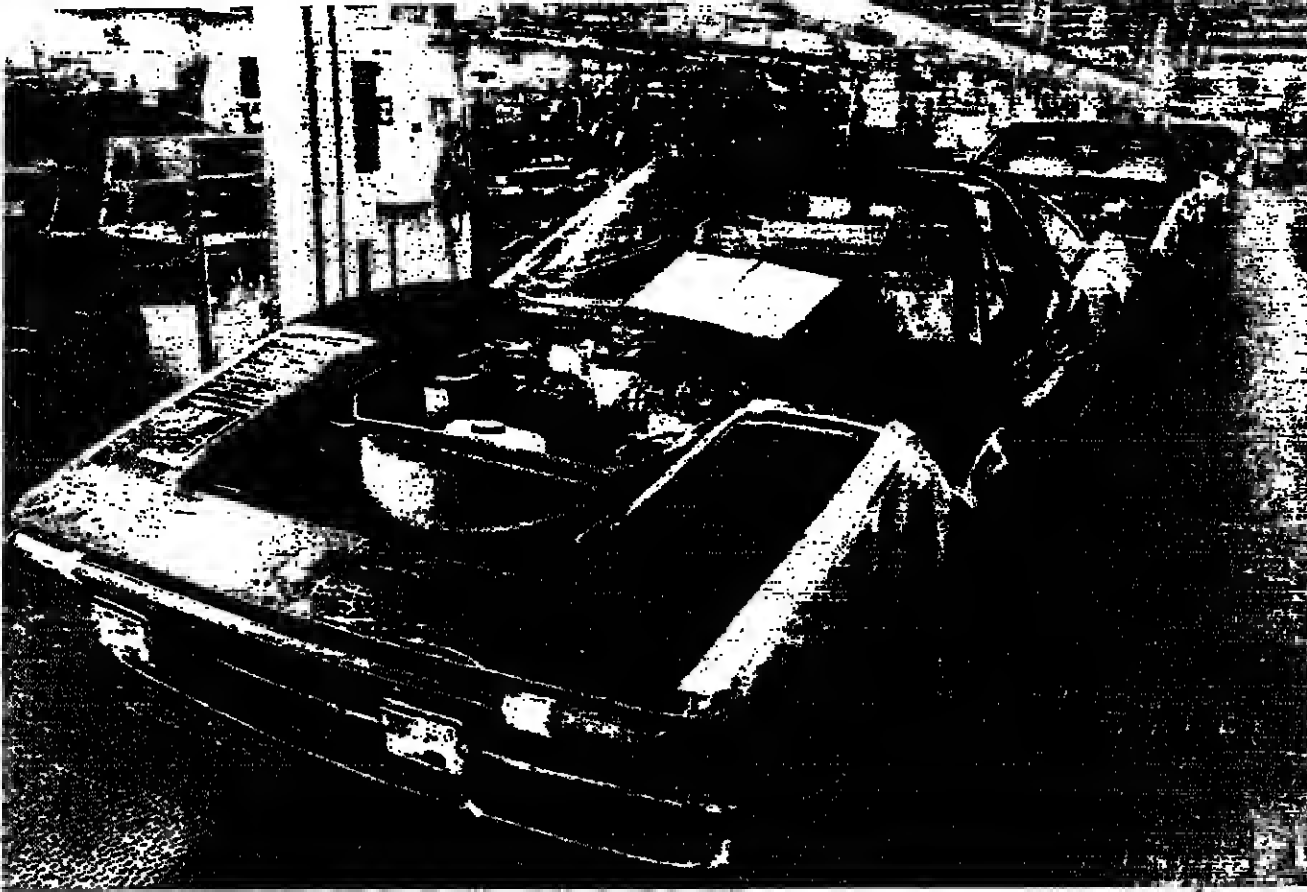
Ferrari, in fact, boasts of producing 70 percent of the parts that go into its cars. The company goes to outside suppliers for brakes, fuel injection, air-conditioning units and some electronic components, but not much else.

In the foundry, workers wearing face masks and fireproof smocks send buckets full of molten aluminum compound hissing into sand molds encased in steel forms. After an hour, the forms are cracked open to remove the gleaming block of a Ferrari engine. Metal scrapings, magnified 4,000 times, are analyzed under a spectroscopic microscope and, if necessary, photographed to provide an immediate picture of the metal's magnesium and copper content. Every fifth engine block is X-rayed to reveal possible flaws.

The block is then drilled out by million-dollar robotic Maderli machines that change their own tools. Test instruments check the exactness of the dimensions to five one-thousandths of a millimeter, particularly the smoothness of the piston bore.

A video display terminal renders a computerized picture of the cross section of the bore, and the image can be transferred to paper for closer analysis. The engine is then assembled by hand. It has the distinctive feature of four air valves per cylinder instead of the usual two, an innovation that boosts the power and one that was carried over from Mr. Ferrari's racing work. The finished engine is tested for three hours on a dynamometer.

If the engine is Ferrari's most critical component, the body is its most distinctive. Over the years, the rakish coachwork of shovel-nose hoods and swooping fenders has been created by Italy's most daring and gifted automotive



The Ferrari assembly line. Demand far exceeds supply, yet Ferrari will not step up production.

artists, including Mr. Ferrari's favorite designer, Pinin Farina, who later combined his name to Pininfarina.

The bodies, steel except for the largely aluminum-bodied Berlinetta Boxer, receive an anti-corrosion treatment of layers of zinc, chrome and chrome oxide, a compound that Ferrari calls Zincochrome. The assembled body and tubular chassis is dipped for five minutes into a milky gray primer. Electrodes attached to the body increase the adhesion of the sealer.

The body, when dried, is then sprayed successively with 12 coats of high-gloss paint, the Glasurit brand made in West Germany. There are 18 colors, by far the most popular being Testa Rossa, a red that is also the traditional Italian racing color. Six out of every 10 Ferraris sold in America are this shade of red. For a smooth finish, workers rub the bodies by hand for 25 minutes between coats.

Meanwhile, other components are being finished and assembled by workers wearing blue or white smocks with Ferrari patches. The crankshaft is polished and balanced for 150 hours. The gearbox, cast with five forward speeds and a distinctive "gated" guide to prevent shifting into the wrong gear, is tested for two hours. A separate upholstery shop on the premises cuts and fits the leather, supplied by Connolly Brothers of Wimbledon, England. The interior trim comes in nine colors, the carpeting in five. The Ferrari is finished, but not quite. In a final test, each car — from such stick-shift sports models as the 308 and Boxer to the four-seater Mondial and the 400-series automatic-transmission family sedan — is driven about 100 miles over the streets and autostradas and raced on Ferrari's test track.

Only then, after any imperfections have been detected and corrected and last-minute nicks and scratches sanded off and repainted, will the Ferrari be deemed fit to leave Maranello.

FERRARI is not, of course, alone in the high-performance luxury field. There is Lamborghini, which produces a fleet 12-cylinder two-seater called the Countach, selling from about \$99,500. But Lamborghini makes only 200 to 300 cars a year and has yet to build up a service and dealer network for extensive marketing in the United States.

Maserati, long a Ferrari rival (it once was called "a poor man's Ferrari"), remains a respected marque but now manufactures family sedans that cost from \$25,000 to \$65,000, instead of sports cars. With the Chrysler Corp., Maserati just announced a plan to develop cars for the American market to be sold under the Chrysler name.

Then there is Porsche, which Ferrari officials regard as their closest performance competition. But the Porsche, fast as it is, remains a mass-production car turned out in quantities of about 40,000 a year.

The Ferrari record has not been flawless. The profusion of models has meant that parts are sometimes scarce and service plagued by delays. For years, the Ferrari clutch was notoriously heavy, and its spark plugs had a tendency to fall in crawling traffic.

The cars are also thirsty. The 308 is rated at only 11 miles per gallon. The factory, too, was legendary for an independence verging on arrogance. Even the famous racing drivers told of cooling their heels for hours or days in the Cavallino café across from the factory before winning an audience with Enzo Ferrari.

Mr. Ferrari is the last of the automotive pioneers. Born in Modena at the dawn of the automobile age, he joined the racing team of Alfa, later Alfa Romeo, in 1920, a collaboration that was to last 19 years.

MEANWHILE, he acquired his trademark symbol, the prancing black horse. The steed had been the insignia of a World War I Italian ace, Francesco Baracca, downed by Austrian artillery. In 1923, Mr. Baracca's mother offered the symbol to Mr. Ferrari for good luck. He added the background of yellow, the color of Modena, and the emblem later came to adorn all his cars.

In 1929, Mr. Ferrari founded his Scuderia Ferrari, a racing stable for Alfa Romeo in Modena. The collaboration produced the first car conceived by Mr. Ferrari, the Alfa type 158, which went on to win two world championships.

In 1939, Mr. Ferrari and Alfa parted. Mr. Ferrari agreeing to stay out of racing for at least four years. Nevertheless, using a machine tool company he had founded, Mr. Ferrari built his own racing car. The 1949 machine, long lost, surfaced in 1966. It was restored and put on exhibit in a small private museum near Modena.

In 1943, under a wartime decentralization order, Mr. Ferrari relocated his factory to Maranello, where he owned land. Unable to make cars, he helped build engines for trainer planes.

The Maranello factory was bombed by the Allies in 1944 and 1945. Mussolini had named Mr. Ferrari a Commander of the Kingdom of Italy, a title he was stripped of after the war but one by which he is still sometimes addressed.

In 1945, Mr. Ferrari re-established the company and returned to making cars in earnest. That August, the company's first 12-cylinder

engine was designed on a sheet of wrapping paper.

By the 1947 racing season, Mr. Ferrari was ready with the first two cars bearing his name, and they and successors began winning races, starting with the Rome Grand Prix of 1947. By the end of last year, Ferraris had won about 5,000 races, including nine Formula 1 world championships, the last in 1979.

Yet, Mr. Ferrari's racetrack triumphs were also marred by tragedy, as his superpowered cars sometimes spun off the track and into crowds of spectators. Drivers complained that Mr. Ferrari always blamed them, never his cars, for the accidents.

In 1956, Enzo Ferrari's 24-year-old son and heir apparent, Dino, died of nephritis after a long battle with muscular dystrophy. His last project had been a line of six-cylinder cars that came to be known as Dinors.

Mr. Ferrari, increasingly withdrawn, cloistered himself in his racing workshop and office, where a memorial candle flickered beneath a portrait of his son. He traveled little, basing that he had not set foot in Rome in 40 years. Critics who called him arbitrary and dictatorial also praised him as a Caesarian figure of single-minded, almost limatic genius.

Fiat's investment in Ferrari in 1969 was, in part, intended to inject needed cash into the racing effort and allow Mr. Ferrari to devote himself to the part of his business that he had always loved best.

His robust physique has turned frail, but associates say he still comes almost daily to his office at the test track to plot the course of Ferrari's Formula 1 racing, the fastest kind of auto racing and the only kind the company still enters. His enthusiasm has not waned. Americans who watched the Indianapolis 500 this year saw him in a television commercial promoting Goodyear tires.

"The person who comes after me will have to take on a very simple inheritance," Mr. Ferrari once wrote. "To keep alive that desire for progress which has been pursued in the past, even if it has involved the sacrifice of some of the noblest of human beings."

"There are those who wonder why I have never tried to turn my factory into a major industry. I don't know why. I have never thought in terms of being an industrialist; I have always thought I should be an engineer and a builder, because industry has requirements which I could not assimilate, inasmuch as they are opposed to my temperament as a promoter of research."

In the end, Enzo Ferrari said, he was essentially a "troublemaker."

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Israel Struggling With Identity Crisis

(Continued from Page 1)

bar two fringe groups — one on the right, the other on the left — from running for the Knesset.

On the right, the Kach Movement, led by Rabbi Meir Kahane, ran unsuccessfully in 1981 but this year was drawing enough support, according to public opinion polls, to give Mr. Kahane a seat. The Kach Movement advocates the expulsion of Arabs from Israel and the West Bank.

On the left, a new Arab-Jewish party called the Arab-Jewish Progressive List advocated a Palestinian state on the West Bank alongside Israel. Because it also endorsed the PLO as the legitimate representative of the Palestinians, it was regarded as too radical by the right wing of the elections commission, which banned it on a vote split along partisan lines.

The Supreme Court later overturned the commission's decisions and the two parties are being allowed to run.

"The capacity of Israeli society to retain its cohesion has, from the very beginning of the state, often been subject to question," The Jerusalem Post said in a recent editorial. "How would a nation, with so many internal divisions, keep itself together?" The conventional answer held that the external threat bound the society, whose fissures would open widely once the danger of defeat disappeared.

"Reality has long since eclipsed this argument," the newspaper declared. "There is no peace, and there is no unity. On the contrary, never has the society been threatened from within as it is today."

This gloomy view was focused on the 25 Jews who, as leaders of Gush Etzion, the religious-nationalist settlement movement that had close support from Likud governments, had been charged with terrorism against Arabs on the West Bank.

There is evidence that the intent of Jewish terrorism has been to scare the Arabs away, since some settlers favor their expulsion. Other militant nationalists, however, believe the Arabs should remain if they accepted Israeli rule. Defense Minister Moshe Arens, an avid supporter of settlements, has said that if the West Bank were annexed, the Arabs should be given the option of becoming Israeli citizens with voting rights. Opponents of settlement are generally fearful of the political impact of incorporating large numbers of Arabs into what then would be a binational state.

About 32 percent of Israelis polled in one survey expressed some degree of sympathy for the Jews' terrorists acts, which involved placing

bombs on Arab buses, machine-gunning an Arab college campus, bombing Arab mayors and plotting to blow up the Dome of the Rock, one of Islam's holiest shrines.

Other Israelis denounce the Jewish terrorists as no better than Arab terrorists. But the tone is not the same as the groundswell of outrage over the 1982 massacre by Israel's Lebanese Christian allies of Palestinian men, women and children in the Sabra and Chatila refugee camps of Beirut.

Then, even without leadership from the political and religious establishments, broad masses of Israelis demanded that the government appoint a commission to investigate the Israeli role. Menachem Begin, prime minister at the time, had to reverse himself and set up the panel, which ultimately found "indirect responsibility" on the part of Israeli officials, including Mr. Begin himself.

NOW, as if the sensibilities have been numbed by the years of violence, there is not quite the same shock over the Jewish terrorists. The Israeli press has chosen the word "underground" to describe the terrorist band, a word with complex connotations here, reminiscent both of the heroic partisans who fought the Nazis in Europe and of the rightist Irgun and Stern Gang Jews who used terror tactics against the British before Israel's independence in 1948.

The ensuing debate over the settler-terrorists has been similarly tangled, weaving both self-righteousness and soul-searching into a powerful fabric of guilt and anger. The settlement movement itself is seriously divided between those who support and those who condemn acts of violence against Arabs.

Even though the state is prosecuting those accused, there remains a resonance of sympathy in the population at large for Jews who are seen to be fighting back, rather than submitting. Many see the settlers as having fought back in response to Arab terrorism against Jews. Some Israelis regard the public response to Jewish terrorism as a litmus test for Israeli society.

The way in which this terrorist movement will be handled will have profound political and constitutional implications for the shape of this democracy," Mr. Ezerhi said. "Explosions of nondemocratic movements and even violence are not unknown in democracies. The issue is how the polity is going to respond to it and how it is going to define it and deal with it."

Liberal Israelis have long been worried by the militant messianism of the settlement movement that nurtured the organized terrorism. But few on the left are willing to blame themselves or the entire society, preferring to make a nar-

rowly political condemnation of the rightist Likud.

Meron Benvenisti, a former deputy mayor of Jerusalem with close ties to the Labor Party, traces the roots of the problem to the early Zionist Jewish state. Masada was a mountain-top stronghold overlooking the Dead Sea, where Jewish warriors in A.D. 73 killed themselves rather than be captured and enslaved by the Romans.

"We are responsible," Mr. Benvenisti said. "We are responsible for the psyche of this nation, not the Likud. We were in charge for two or three generations. We created the symbol of Masada because it was a secular symbol and one that a Czech or an Italian or an American could understand. We created a secular cult."

After the 1967 war gave Israel East Jerusalem and its Temple Mount, where the Jewish Temple of Herod was destroyed in A.D. 70, "the secular myth of Masada was fused together with 2,000 years of Jewish history," Mr. Benvenisti said. "We thought we could take that genie out of the bottle, and we thought that whenever we wanted we could put it back. No sir. Once you have symbols like Masada and the Temple you can't control them."

Officially, Israel recognizes Moslem control over the Temple Mount and its mosques. But in the last few years, the yearning to remove the mosques and build a Jewish temple there has begun to spread from a few religious fanatics into more established rightist political groups. One moderate Arab leader from the West Bank, a man who has watched Israel closely for years and who supports peaceful coexistence, predicts that within two decades Israel will tear down the Dome of the Rock and Al Aqsa Mosque — which now stand on the Temple Mount — and build a new Jewish temple on the site.

Thus, for many in the religious community, the debate over the Jewish terrorists now focuses on the essence of Judaism.

"Our image of the Torah personality until not so very long ago was of someone who had in his heart room for tolerance," said Rabbi Chaim Pearl, a Conservative rabbi in Jerusalem. This contrasts dramatically with the religious settlers, he said, adding:

"Many of them, if not most of them, tend to read the Bible like fundamentalists. The promise is there. God gave us the land and this is our stake. . . . It is a kind of literalist, fundamentalist reading of the text of the Bible, which incidentally, is not traditional, is not historical, is against all common sense."



The Newspaper of Tomorrow Is Here Today

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Herald Tribune BUSINESS/FINANCE

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INTERNATIONAL MANAGER Adopts Stricter Rules Shipping Toxic Waste

By SHERRY BUCHANAN
International Herald Tribune

RUSSELS — With an estimated 100,000 trucks carrying dangerous waste daily across borders in Europe, the European Community has just adopted stricter rules for the transportation of such waste. Public and government concern about where hazardous waste ends up increased dramatically after the 1976 Seveso chemical-plant accident was temporarily lost after cross-Italian border.

tries that will be affected by the tighter rules include the industry, the electroplating industry, and some sections of metallurgical and chemical industries. Unlike the United States, the EC cannot impose an environmental law on its own. But with environmentalists such as the Green Party increasing representation in the EC Parliament, pressure is likely to grow.

Stricter EC rules, which will come into effect in the fall of 1984, are contained in a directive from the EC's executive body, the European Commission, which wants to get rid of toxic waste from the continent. The required documentation must include the nature of the material, the planned security and insurance provisions, as well as where and how the waste will be disposed. The importing country has a right to refuse the shipment.

Environmentalists believe that although the rules are strict, they will not work in practice. "This doesn't mean toxic materials will be disposed of reasonably," Karel Greenpeace, the international environmental group, does mean that you will know where they are. Greenpeace is planning to organize its own spot-checks at the borders. Governments would have to double or triple their customs properly enforce this directive," Mr. Arney said. "You can't document, but you can't always double check if it's right or wrong."

chemical industry was embarrassed by the dioxin incident, in which a chemical reactor at the plant blew up, leading dioxin over 1,800 hectares (4,500 acres) that mals, caused severe skin ailments and led to the evacuation of the Italian community of Seveso. But the industry with the commission's directive in almost every detail of one-month notification period, which it believes will advantage. The conflict is likely to be fought out in the

industry foresees a problem with enforcing the notification however, because different governments use different definitions of hazardous or toxic.

Some ministers were warning against expectations that demand would rise markedly later this year. Kuwait's minister, Sheikh Ali Khalifa Al-Sabah, predicted that demand would total 18 million barrels a day in the current quarter, only marginally above OPEC's ceiling.

Ministers are also expected to take up the question of appointing a new secretary-general to oversee OPEC's administrative headquarters in Vienna. The position has been vacant for a year as OPEC has failed to find a compromise candidate. Both Iran and Iraq are demanding the honor.

Macintosh Production To Double

By Susan Chira
New York Times Service
NEW YORK — Apple Computer Inc. plans to double the manufacturing capacity for its new and highly successful Macintosh computers by the end of this year, the president, John Sculley, said.

Apple dealers have said that demand for the Macintosh has far exceeded supply. Although Apple would not say how many it is making, it said it is now capable of producing about 40,000 a month. Analysts said Apple's confidence of demand for the Macintosh could be justified if Apple follows through on its commitment to offer more software and increase the machine's memory this year.

But they also said that questions had been raised about how effectively the machine has been introduced into the office market. They said it still lacks the software and memory to compete with office computers made by International Business Machines Corp.

Barbara Krause, a spokeswoman for Apple who was attending the National Computer Conference in Las Vegas, said: "We are exhibiting here 80 software packages, which we think will continue to increase the Macintosh's popularity and usefulness."

She said Apple already has some important corporate contracts, including Businessland, Citrus Business Systems Centers and Genra Group, all major business-oriented retail groups.

Another Apple spokesman said the company plans to have 150 software packages available by the end of the year, up from 30 sold now.

In addition, David Lawrence, an analyst with Montgomery Securities in San Francisco, said that supply and quality problems with the vendors who provide some Macintosh parts had contributed to the scarcity of the machines. Apple would not discuss this point.

Dan Eilers, Apple's assistant treasurer, said the company would earn slightly more than \$15 million, or 25 cents a share, in the third quarter, on revenue of about \$400 million. In last year's third quarter, Apple earned \$24.2 million, or 40 cents a share, on revenue of \$267 million.

Saudis Say OPEC May Cut Output Yamani Sees Rise In World Demand

By Bob Hagerty
International Herald Tribune

VIENNA — Saudi Arabia asserted Tuesday that OPEC would trim production sufficiently to stop the recent fall of oil prices.

Speaking at the start of a meeting of the Organization of Petroleum Exporting Countries, however, the Saudi oil minister, Sheikh Ahmed Zaki Yamani, predicted that demand for OPEC oil would rise in this year's fourth quarter.

He also said the cartel may hold a meeting at the end of September. Presumably, such a meeting would address the problem of sharing any additional production among OPEC's 13 members, who produce about 40 percent of oil consumed in non-Communist countries.

For the present, Sheikh Yamani said, OPEC must reduce its production to the group's self-imposed ceiling of 17.3 million barrels a day. He estimated that OPEC had exceeded that ceiling by at least a million barrels a day in June, but added: "Whenever there is a problem we have proved inside OPEC that we live up to our responsibilities and control ourselves."

Oilmen consider a sharp reduction in Saudi production crucial to shrinking the current oversupply of oil and relieving downward pressure on prices. Some analysts say Saudi production was as high as 5.7 million barrels a day in June. Sheikh Yamani did not provide a production figure but said sales amounted to about 4.7 million barrels a day last month.

Nigeria and the United Arab Emirates, among other OPEC countries, are pressing for higher quotas. But most ministers seem inclined to alter the quota system during the current meeting, which is expected to end Wednesday.

Some ministers were warning against expectations that demand would rise markedly later this year. Kuwait's minister, Sheikh Ali Khalifa Al-Sabah, predicted that demand would total 18 million barrels a day in the current quarter, only marginally above OPEC's ceiling.

Ministers are also expected to take up the question of appointing a new secretary-general to oversee OPEC's administrative headquarters in Vienna. The position has been vacant for a year as OPEC has failed to find a compromise candidate. Both Iran and Iraq are demanding the honor.

New Restraints on Saudi Currency Worry Offshore Banks in Bahrain

By Paul Lewis
New York Times Service

MANAMA, Bahrain — Some of the glitter has been wearing off Gulf banking.

The impact of the world recession has been felt here. And the war between Iran and Iraq, together with the \$90 billion loss in the Kuwaiti stock market crash in 1982, has reminded the world that banks in this region rich in petrodollars are no longer risk-free.

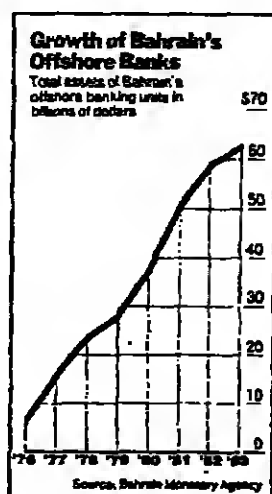
But now, to the dismay of the untaxed, tightly regulated "offshore banking units" that foreign banks have established on tiny, independent Bahrain, Saudi Arabia has clamped a series of potentially painful restraints on transactions in the rial, the Saudi currency.

To begin with, the Saudi Arabian Monetary Agency, the kingdom's central bank, announced that banks in Bahrain must have its permission before they can participate in syndicated loans of riyals to borrowers in Saudi Arabia.

Then the agency began bazaar enforcement of a long-dormant Saudi withholding tax on interest paid by Saudi borrowers to foreign banks, thus raising the Bahraini banks' cost of lending to Saudi Arabia.

In addition, it called for special 90-day deposits by Saudi commercial banks in an effort to mop up excess riyals that in the past had been lent to the Bahrain offshore banks, or OBU's, as they are called, which in turn had lent them back to Saudi companies.

Making riyals loanable to Saudi Arabia has traditionally accounted for about 22 percent of



the business of the OBU's. In individual cases, however, the figures can be much higher.

The Saudis' reasons for the moves, which were made without warning, were given in a recent speech by the monetary agency's acting governor, Sheikh Rama Saud al-Sayari.

The agency wants to bring the offshore riyals back home, he said, giving more Saudi business to domestic banks and reducing Saudi Arabia's dependence on the offshore Bahrain banking community.

Saudi Arabia, he continued, is determined "to restrain the growing internationalization of the rial" and "stimulate the domestic corporate banking capabilities of Saudi banks."

As for Bahrain's OBU's, Sheikh Sayari said, "They must use their ingenuity in adjusting

to changing requirements and circumstances."

Saudi Arabia's new policy could scarcely have come at a worse moment for the Bahrain banking community. After a decade of swift growth, it is reaching maturity and most of the world's big-name banks are represented on the island.

A five-minute walk in the blazing heat along Government Road to the business center of Bahrain's capital, Manama, takes one past offices of Citibank, Chase Manhattan Bank of America, Lloyds International, Paribas and scores of other well-known banks from all over the world.

In all, about 75 banks have set up units here, while many others maintain representative offices. Including two major Arab banks, Arab Bank Corp. and Gulf International Bank.

Since 1982, total assets of the OBU's in Bahrain have risen more slowly, reaching a peak of \$63.4 billion in March. They were down slightly in May, to \$63.2 billion.

Stable or falling oil prices have brought government spending out along the Gulf during the past two years, depressing business activity and reducing credit demand. And the Iran-Iraq war has curtailed lending in those countries, making it harder for banks to raise funds.

"We are in a period of consolidation anyway," said Henry T. Azzam, chief economist at the Arab-owned United Gulf Bank. Some of the OBU's lost money last year, although they do not announce their results, Abdullah Said, governor of the Bahrain

(Continued on Page 9, Col. 5)

Trade Surplus In Japan Hit Record in June

Reuters

AMEX Most Actives				
	Vol.	High	Low	Chge.
Dynegy	177	77 1/2	75 1/2	2 1/2
INTPET	130	107 1/2	105 1/2	2 1/2
Amgen	77 1/2	80 1/2	78 1/2	2 1/2
SHC	68	114 1/2	111 1/2	3 1/2
KIMCOR	602	23 1/2	22 1/2	1 1/2
ITD	101	14 1/2	14 1/2	0 1/2
WSPR	64	7 1/2	7 1/2	0 1/2
COMST	92	17 1/2	17 1/2	0 1/2
MOB	9	2 1/2	2 1/2	0 1/2

AMEX Stock Index			
High	Low	Close	Chge.
194.90	194.46	194.49	-0.41

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COMMERCE SECURITY

BUSINESS ROUNDUP

Siemens Posts 10% Sales Rise, Sees Profit Up

By Juris Kaza

Siemens AG, the German electronics giant, reported a 10 percent increase in sales and a 10 percent increase in profit for the first half of the year. The company's sales rose to 14.3 billion DM, up from 13 billion DM a year earlier. Profit rose to 1.4 billion DM, up from 1.3 billion DM a year earlier. The company's sales rose to 14.3 billion DM, up from 13 billion DM a year earlier. Profit rose to 1.4 billion DM, up from 1.3 billion DM a year earlier.

PANY NOTES

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Saudi Moves Worry Banks In Bahrain

(Continued from Page 7)

Monetary Agency, which regulates them, estimates that their total earnings were \$457 million, unchanged from 1982, ending the steady growth of earlier years. Bahrain's banks are now seeking new forms of business, diversifying into portfolio management and investment banking. Arab Bank Corp., building up its assets outside the Gulf, recently acquired Atlantic from the troubled Rumasa group in Spain. "Loan syndication has slumped, so banks are becoming more innovative," Mr. Said said. Meanwhile, Saudi Arabia appears to be moving cautiously in its declared campaign to limit foreign bank lending in Saudi Riyals. Finance Minister Mohammed Alkhalil has praised Bahrain's banks as "a source of strength for the region." And he said, "None of us wishes to disturb their presence here."

Mr. Said remains optimistic. "I can always see a role for international banks in Saudi Arabia," he said, "and this is confirmed by their steady growth there."

Air France Expected to Name Long

Marcel Long, chairman and president of Air Inter, France's domestic airline, is expected to be named chairman of Air France at a board meeting of the international carrier Wednesday, according to French airline sources. Mr. Long, who was general secretary of the government from 1975 to 1982, will replace Pierre Girardet, who took over the top job at Air France in 1976, and plans to become chairman and president of the state-owned French distribution group, the sources said. Mr. Girardet will reach the mandatory retirement age of 65 at the end of this year. Both airlines are government-controlled, and the move is expected to be approved by the cabinet, probably Thursday. Pierre Eelsen, general secretary for governmental relations at the state-owned automaker Renault, is expected to be named as the successor to Mr. Long at Air Inter, the sources added.

—AXEL KRAUSE in Paris

CBS Says Profit Soared 51% in First Quarter

United Press International

NEW YORK — CBS Inc. Tuesday reported a 51-percent gain in earnings to \$88.5 million in the second quarter. For the half, profit climbed 66 percent to \$127.4 million. Sales in the quarter rose 16 percent to \$1.22 billion, and six-month sales rose 15 percent to \$2.39 billion.

EC Tightens Rules on Waste

(Continued from Page 7)

facilities in the North Sea through special facilities in Rotterdam, or stored in the Herf-Nordde storage facility in West Germany, situated in an old salt mine near the East German border. A third of the waste going to Herf-Nordde is from European countries other than West Germany, as is the bulk of toxic waste incinerated in the North Sea off the Dutch coast. West Germany, for instance, exports about 25 percent of its toxic waste through the Netherlands for disposal at sea. Although figures are hard to come by, the OECD estimates that 3 million tons of toxic waste cross borders out of an EC total of 30 million tons of industrial toxic waste.

"Without a unified system of definition the directive simply won't work," says another industry source.

The commission wants the producers of toxic waste to be responsible for whatever happens to it from the time it leaves the plant to the time it reaches its final destination in the importing country. The industry, on the other hand, sees no reason why it should be responsible, for instance, for any deaths caused, say, by a drunken truck driver.

"Legally the industry is right," says Mr. Amey of Greenpeace, "but this is a moral issue."

The commission is expected to come up with a new proposal defining responsibility in the fall.

ADVERTISING INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

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Floating Rate Notes July 10

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PEUGEOT S.A.

ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 29 JUNE 1984

Address by Monsieur Jean-Paul PARAYRE, Chairman.

(Extracts)

Ladies and Gentlemen,

As you have just observed, our Group has started a recovery in 1983. While our losses in consolidated accounts reach F.Fr. 2,590 million, they show a reduction, on a comparable presentation, of F.Fr. 1,200 million in relation to 1982; the operational margin reaches F.Fr. 2,400 million, an improvement of nearly F.Fr. 2,300 million, and the cash flow becomes positive by nearly F.Fr. 1,100 million, whereas in 1982 it was negative by F.Fr. 600 million.

This improvement of our results is mainly due to the Automobiles Peugeot branch, since the recovery capacity of Automobiles Citroën has so far been more limited. You have also observed the leading part played in this favourable evolution by the foreign industrial subsidiaries of Automobiles Peugeot: Talbot Motor is stable again after several years of heavy losses, and the unfavourable tendency at Automobiles Talbot has been reversed, albeit in a more progressive manner. On the other hand operations of the French companies have continued to be deeply affected in 1983 by the full impact of the economic and social measures decided in 1982, particularly the heavy reduction of the annual length of working-time and the freezing of sales prices in France. I would add that in spite of their persistent efforts, the French companies of the Group have not been authorized to make timely adjustments, at a desired level, to their production man-power; this has weighed heavily on their productivity.

Nevertheless, the 1983 accounts reflect an undeniable improvement, which of course is short of the ambitious targets we had set, but which is all the more encouraging since it was accomplished mainly during the second half of the fiscal year.

While we are at present intensifying the strictness of our management methods in order to ensure short term results, we continue to prepare the future.

We have decided, in spite of financial constraints, to place our investments in harmony—without excess but without shortages—with our desire to build the future of the Group, to renew at an early stage the models of Automobiles Peugeot and of Automobiles Citroën and to continue, with these launchings, to modernize our production tools by adopting the most recent techniques.

The pursuit of this policy implies a reinforcement of the financial situation of our subsidiaries, which are bearing much too heavy financial loads. The shareholders' equity of Automobiles Peugeot has just been increased by one million francs. When the time comes, and after the proviso of excess man-power has been completely removed, measures will have to be taken for Citroën.

A year ago I mentioned to you the profound changes affecting the automobile industry and the measures taken in order to enable our Group to maintain its rank in international competition.

I believe that I can say that we have accomplished significant progress in accordance with the priorities which we had established.

We do not under-estimate, however, the important efforts which remain to be made in order to improve the situation of our Group, to confirm fully the recovery of Automobiles Peugeot and to engage further the recovery of Citroën.

Everyone is aware that this is a lengthy and exacting task which cannot suffer any slackening. Thanks to this mobilization of energies and wills, and provided the environment is not too unfavourable for us, we do expect in 1984 to accentuate the financial improvements started last year.

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dreas R. Prindl a managing director. Mr. Prindl previously was a vice president based in the London office of Morgan Guaranty Trust Co. of New York. Nomura International and Nomura Europe and subsidiaries of Nomura Securities Co., the Tokyo-based investment bank.

Kriedtebank SA Luxembourg is elected to its board Damien Wigny, who is the bank's director. Lockheed Corp., the U.S.-based aerospace and defense contractor, has named Bud Alene president of Lockheed Aircraft International, a unit in Riyadh. Mr. Alene, who succeeds Kenneth Cannestra, also was appointed a vice president of the corporation. Mr. Cannestra has become executive vice president of Lockheed Georgia Co. Mr. Alene previously was executive vice president of operations in Lockheed's international division.

Citibank has appointed Philip Markert country corporate officer for Indonesia. Since 1980, he has served as the bank's senior officer for Malaysia and Brunei. Shaukat Aziz will succeed Mr. Markert as Citibank's senior officer in Malaysia. Mr. Aziz was based in New York as chief of staff for the Asia-Pacific group of Citibank's institutional bank. In addition, Citibank has appointed Ricardo di Lorenzo country corporate officer for Senegal. He succeeds Robert Manning, who was transferred to Istanbul as head of marketing in Turkey. Mr. di Lorenzo, who previously was Citibank's corporate banking head in the Ivory Coast, is now based in Dakar.

With Sonesson AB, the Swedish engineering company owned by Volvo, has named Lennart Nilsson president and chief executive. Succeeding him as executive vice president of Sonesson is Berthold Lindqvist.

—BRENDA HAGERTY in London

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Stock	Div.	Yld.	PE	Sts.	High	Low	Close
				100s			Quot.

(Continued from Page 8)

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks up to the current date, but not the latest available data. If a seller or advertiser is not listed, the percentage of dividends has been added, the year's high-low range and the number of weeks the stock was in the market. The following information, unless otherwise indicated, is based on the annual reports of the companies. The following information is based on the annual reports of the companies. The following information is based on the annual reports of the companies.

July 10

NASDAQ National Market Prices

ASX 100

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 100	100.00	0.00	100	100.00	100.00	100.00	100.00	100.00

ASX 200

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 200	200.00	0.00	200	200.00	200.00	200.00	200.00	200.00

ASX 300

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 300	300.00	0.00	300	300.00	300.00	300.00	300.00	300.00

ASX 400

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 400	400.00	0.00	400	400.00	400.00	400.00	400.00	400.00

ASX 500

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 500	500.00	0.00	500	500.00	500.00	500.00	500.00	500.00

ASX 600

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 600	600.00	0.00	600	600.00	600.00	600.00	600.00	600.00

ASX 700

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 700	700.00	0.00	700	700.00	700.00	700.00	700.00	700.00

ASX 800

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 800	800.00	0.00	800	800.00	800.00	800.00	800.00	800.00

ASX 900

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 900	900.00	0.00	900	900.00	900.00	900.00	900.00	900.00

ASX 1000

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1000	1000.00	0.00	1000	1000.00	1000.00	1000.00	1000.00	1000.00

ASX 1100

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1100	1100.00	0.00	1100	1100.00	1100.00	1100.00	1100.00	1100.00

ASX 1200

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1200	1200.00	0.00	1200	1200.00	1200.00	1200.00	1200.00	1200.00

ASX 1300

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1300	1300.00	0.00	1300	1300.00	1300.00	1300.00	1300.00	1300.00

ASX 1400

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1400	1400.00	0.00	1400	1400.00	1400.00	1400.00	1400.00	1400.00

ASX 1500

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1500	1500.00	0.00	1500	1500.00	1500.00	1500.00	1500.00	1500.00

ASX 1600

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1600	1600.00	0.00	1600	1600.00	1600.00	1600.00	1600.00	1600.00

ASX 1700

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1700	1700.00	0.00	1700	1700.00	1700.00	1700.00	1700.00	1700.00

ASX 1800

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1800	1800.00	0.00	1800	1800.00	1800.00	1800.00	1800.00	1800.00

ASX 1900

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 1900	1900.00	0.00	1900	1900.00	1900.00	1900.00	1900.00	1900.00

ASX 2000

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 2000	2000.00	0.00	2000	2000.00	2000.00	2000.00	2000.00	2000.00

ASX 2100

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 2100	2100.00	0.00	2100	2100.00	2100.00	2100.00	2100.00	2100.00

ASX 2200

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 2200	2200.00	0.00	2200	2200.00	2200.00	2200.00	2200.00	2200.00

ASX 2300

Stock	Price	Change	Volume	High	Low	Open	Close	Settle
ASX 2300	2300.00	0.00	2300	2300.00	2300.00	2300.00	2300.00	2300.00

ASX 2400

Creusot Ruling Seen Soon

PARIS—The commercial court in Paris will probably rule Friday on a public prosecutor's request for a provisional administrator to be named to manage Creusot-Loire, France's largest private heavy-engineering company, which was placed in receivership two weeks ago, a court official said Tuesday.

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